



# CLARKSTON FUNDS

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CLARKSTON PARTNERS FUND  
CLARKSTON FUND  
CLARKSTON FOUNDERS FUND

## Annual Report

SEPTEMBER 30, 2020



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Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Funds' annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website at [www.clarkstonfunds.com](http://www.clarkstonfunds.com) and you will be notified by mail each time a report is posted and provided with a website link to access the report.

You may, notwithstanding the availability of shareholder reports online, elect to receive all future shareholder reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with a Fund, you can call 1-844-680-6562 to let the Fund know you wish to continue receiving paper copies of your shareholder reports.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from a Fund electronically anytime by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by enrolling at [www.clarkstonfunds.com](http://www.clarkstonfunds.com).

*September 30, 2020 (Unaudited)***Warm Wishes**

The outbreak of COVID-19 caught everyone unprepared. Months of global confusion and uncertainty have weighed upon the world at large. Like far too many people, we at Clarkston Capital have had to mourn lost loved ones and isolate ourselves from friends and family. We thank you for your support over the past twelve months, especially given the challenges we have been facing together during this pandemic. Above all else, we hope that you and your families are staying safe and well.

In dire times such as these, it helps to look for the silver linings which shine against the pall cast by the pandemic, one being the vindication of our investment approach. We have long held a patient, calm demeanor as one of our fundamental tenets. We seek to buy what we consider to be high-quality businesses only at attractive, discounted prices, and build cash while we await such opportunities.

COVID-19 has proven beyond a doubt that we have little control over the market, and just as much over life. We can't know exactly what we are going to buy when we finally get the opportunity, as price drops are dependent upon the market. We can control, however, what businesses the Clarkston Funds own and at what price transactions for the Funds are made. We spend our time turning over rocks and analyzing businesses that we would like the Funds to own according to our investment philosophy. Then, on rare occasion, market dislocation results in severe prices drops in these businesses. With all due deference and humility, we found the economic impact of COVID-19 to be the best investment opportunity we have had since the 2008 financial crisis. The onset of the pandemic, and the precipitous market drop that followed, afforded us the opportunity to deploy the significant amount of cash in the Clarkston Funds' portfolios into high-quality businesses at what we found to be extremely attractive prices.

**Clarkston's Investment Process**

We want to remind you about our process. In essence, we identify businesses that meet our definition of "quality" and wait for prices that we think are attractive. Clarkston Capital was founded on the notion that the best way to achieve long-term capital appreciation is by investing in what we believe to be extraordinary businesses over long time periods.

Our first responsibility, as stewards of Fund investors' capital, is the mitigation of downside risk. We believe the best way to accomplish this goal is to identify a quality business and patiently wait for the company to go on sale.

Clarkston Capital's investment process has evolved into one that assesses businesses through the lens of long-term business ownership. Our "Quality Value" investment process focuses on identifying sustainable, competitively-advantaged business models that have the potential to financially prosper from high returns on reinvested capital and can be purchased with a margin of safety against the unknowable. A margin of safety exists when we believe the company's share price is trading at a significant discount to the company's intrinsic value at the time of purchase.

Assessing and investing in "quality" businesses emerged as the cornerstone of our investment process because these companies are expected to preserve and compound their value over time. Our disciplined "value" approach is integral to mitigating downside risk and is designed to prevent us from paying excessive prices for the highest quality businesses.

We believe the best way to value the long-term nature of free cash flows generated by competitively-advantaged businesses is via a "cash-on-cash" returns model. Clarkston Capital's

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model is derived from the Gordon Growth Model and separates value into two distinct components: free-cash-flow (“FCF”) yield and growth factor. The FCF yield – free cash flow divided by market value – captures the normalized cash generation power of the business. The second component, the growth factor, captures the organic growth in free cash flow. When added together, the FCF yield and growth factor deliver an estimated cash-on-cash return that an owner of the business can expect to earn over a long-term holding period.

This model enables us to distinguish between what we believe to be more knowable “near-term” free cash flows and unknowable or inestimable “future” free cash flows. We tend to weight more heavily the FCF yield. A focus on attractive FCF yields and the use of conservative growth estimates helps facilitate a margin of safety.

Our disciplined adherence to our valuation methodology, which calls for a margin of safety, coupled with a market that offers little opportunity, results in periods when there is nothing to do but wait. During these periods, cash balances may rise.

### **What Happened Over the Last Twelve Months?**

We would characterize 2017, 2018, and 2019 as years where there was little to do but wait. We spent a lot of time researching new businesses and re-researching existing holdings, but we spent almost no time buying and selling. We were spending our time preparing for an inevitable disruption. COVID-19 was a temporary disruption for the markets, but it did take them down.

Let’s look back into 2017 and 2018. For the majority of those years, FCF yields in the Clarkston Funds’ portfolios were in the 6-7% range. Roughly 50% of capital was invested in businesses with FCF yields above 7%, 25% with FCF yields under 7%, and more than 20% in cash. At 2019 valuations, the Funds’ portfolios grew slightly more attractive with average FCF yields in the 8-9% range, primarily due to the elimination and trimming of fairly valued businesses and redeployment of capital into more attractively valued businesses with FCF yields in the 10% range.

At the end of March 2020, COVID-19 fears fully made their way into the market and FCF yields reached multi-year highs in the 12-14% range. We deployed a record amount of Fund capital during March and April – more than we had since the inception of the Funds. At the end of February, we had ample cash in the Funds: Clarkston Partners Fund in the mid-teen percentages, Clarkston Founders Fund at about 20%, and Clarkston Fund at greater than 10% cash.

At the end of September, cash balances had built up – still much lower than in February, but some inflows remained in cash. FCF yields at the end of September were back in the 10-11% range, but around 90% of capital invested was in businesses with FCF yields above 10%. Cash levels in both the Clarkston Founders Fund and Clarkston Partners Fund were just over 10%, while the Clarkston Fund’s cash was in the mid-single digits.

### **Opportunities**

The key to our Quality Value investment philosophy is identifying which businesses we expect to create value over time, the optimal path in which they have the potential to create that value, and at what price we believe justifies the risk of ownership. The easy part of executing the strategy is identifying quality businesses and valuing those businesses. The difficult part is remaining disciplined and exercising the patience and courage necessary to wait for attractive entry points, acting in a contrarian manner, and buying a business that the “herd” has incorrectly deemed to be permanently impaired. Being a contrarian is lonely and painful, and the pain can last longer than many can endure.

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In our quest to faithfully execute Clarkston Capital's philosophy, we have been tasked with exercising much patience, and, at times, it has been quite painful. We are all taught from a young age, across many different disciplines, that we make our own opportunities. This is somewhat true, yes, but in the investment business, one does not create opportunities. They present themselves at their own leisure – infrequently, and often at inopportune times. Therefore, one must be ready.

Since the psychology of the marketplace determines the timing of investing, one has to be flexible in one's decision making. This also means one has to be flexible in where one is finding opportunity, or at least ensure that one's area of competence is broad enough to encompass various industries and segments of the economy. Often times, price drops occur across a focused group of companies or within similar industries. Since the inception of the Clarkston Funds in September 2015, there have been few market dislocations and, therefore, few broader opportunities to deploy capital: in 2016 due to drops in the oil industry and its related industrial companies, in December 2018 due to an underappreciated, hawkish tone by the Federal Reserve among elevated economic uncertainty, and in the Spring of 2020 due to the COVID-19 outbreak in the U.S. Each of these events opened the door for us to invest the Funds' capital.

Approaching these businesses in this manner, versus focusing on particular industries, gives us a search efficiency because we can find businesses in multiple end markets. When a dislocation occurs, it usually occurs in a certain end market. COVID-19 has affected hospitality-related industries. These include air travel, restaurants (which affected both on-premises beer and food consumption), sporting and entertainment events (which affected advertising and media companies), medical-related facilities, fitness, movie theaters, and retailers (auto retailers, in our case). Also included as a second derivative are industrial companies and asset managers: the shutdown in the above industries led to decreased need for manufactured goods and fear surrounding asset managers' billing capacity as the markets trended downward. Interestingly enough, some industries that we thought would have cratered, like home-related products and recreational vehicles, actually trended higher as vacationers opted for big ticket leisure items in lieu of expensive vacations.

### **Commonalities Among Businesses We Bought**

The irony of buying quality businesses at a margin of safety is that most investors would argue that these businesses are no longer high quality. The share prices of these businesses have typically fallen, or at least stagnated, for long periods of time. These quality businesses have entered a period of short-term challenges: we believe these challenges are addressable, but they are challenges, nonetheless. Most investors lack the patience and long-term mindset to wait for a company to overcome such obstacles. But how else would an investor be able to buy a quality business at a discount? It's far easier to stand with the crowd and brag about a well-performing business than it is to stand alone in the corner, arguing why a business is still dominant despite appearances to the contrary.

Ultimately, one still has to be correct in one's argument. While business in the beer, food distribution, airline, transportation, education, and advertising industries are challenged, they do possess attractive characteristics that we believe still make them quality businesses.

COVID-19 has affected businesses in various distinct industries which, under most circumstances, are unrelated in regard to risk. The pandemic has been so punishing and arduous, however, that it has affected several different industries and business models, many of which we have researched over the years. Many investors tend to write off businesses that operate in these industries, often for the right reasons: such businesses may be permanently impaired, perhaps due to over-

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leveraging or even a business model which has been forever changed. But we found opportunities in some high-quality businesses that were – as we believe them to be – only temporarily affected by the pandemic. Because these businesses have competitively advantaged business models, strong balance sheets, and extremely capable management teams, we feel they will once again dominate their end markets. Here are some commonalities among the businesses that we bought in the Funds’ portfolios during the pandemic and why we feel they are excellent businesses.

- As always, all the companies meet the Clarkston Quality Principles:
  - High Cash Returns on Net Operating Assets (CRONOA) and strong balance sheets;
  - Competitively advantaged business models that are sustainable;
  - Operated by candid management teams who allocate capital for the benefit of shareholders.
- These businesses boast long-term, resilient business models. This isn’t to say they were not impacted by COVID-19, but we believe they will ultimately prevail and emerge even stronger. There are secular trends that will continue when the pandemic is behind us, whether by comfort, biology, or innovation. People will travel, they will go out to eat or drink beer, etc. This might be a slow return, but it will inevitably return.
- They occupy mature industries: The businesses in these industries are not novel or fleeting – they have been around for decades. This emboldens our confidence that they will not perish. History is often a strong indicator of longevity.
- They function as oligopolies: They operate in industries dominated by a few large competitors, which provides the incumbents with scale advantages.
  - Smaller competitors will struggle to survive the longer the pandemic lasts, rendering them more vulnerable to larger incumbents. The scale advantages enable said incumbents to take market share from these strugglers.
- They reacted quickly to the pandemic with flexible balance sheets, whether they raised capital or suspended dividends and cut unnecessary costs.
- Their shares were trading in the double digits of normalized FCF yields, which provided a meaningful margin of safety in the event of a long recovery to pre-pandemic FCF levels. In some cases, the Funds purchased at prices at the point that FCF does not need to fully recover.

### **Where did Clarkston Deploy the Funds’ Capital?**

#### **Beer:**

The COVID-19-related “stay-at-home” orders caused the on-premises channel (e.g., bars, restaurants, sporting events) for the beer industry to shut down beginning in March 2020 and continuing to present day. While some states in the U.S. have re-opened in recent months, the restaurants and bars that made it through the COVID-19 shutdown have re-opened at reduced capacity. Beer’s on-premises channel accounts for approximately 18% of industry sales, which negatively impacted the Clarkston Partners Fund’s, Clarkston Founders Fund’s and Clarkston Fund’s holdings in brewer Molson Coors (TAP) and the Clarkston Founders Fund’s and Clarkston Fund’s holdings in brewer AB InBev (BUD). On-premises sales generally carry higher margins than off-premises sales. On-premises sales account for over 20% of consolidated net sales in both holdings, which has weighed on profitability. Fortunately, some beer consumption shifted to the off-premises channel, but this wasn’t enough to offset the loss of on-premises sales. A positive trend from the shift to the off-premises channel (e.g., people drinking at home) is consumers gravitating towards established brands they know and trust. This has resulted in a spike in consumer demand for established beer brands such as Coors Light (TAP), Miller Lite (TAP), and Bud Light (BUD). According to Nielsen, a market measurement firm, retail sales for established brands

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are up double digits over the past six months. Time will ultimately tell how much of this consumer demand sticks long-term, but we are cautiously optimistic.

While the dramatic shift toward off-premises consumption has cushioned the blow to TAP and BUD, it has severely impacted smaller craft brewers. Many craft brewers' sales skew more toward the on-premises channel as many rely on their taprooms and keg sales. As a result, many craft brewers are financially distressed and we anticipate they will be increasingly weakened the longer the COVID-19 shutdowns last. This could present a longer-term opportunity for TAP and BUD to win on-premises share and emerge stronger. We added to the Clarkston Partners Fund's and Clarkston Founders Fund's positions in TAP and the Clarkston Founders Fund's and Clarkston Fund's positions in BUD in late-February and during the height of COVID-19 throughout March and April. While the shares of both brewers are down over 30% calendar year-to-date, we are confident in their long-term prospects. We are attracted to the beer industry because it is a defensive business with a strong industry structure and attractive financial profile.

**Food:**

COVID-19 and its related shutdowns have brought on serious challenges for the foodservice distribution industry. In late March, U.S. restaurant customer transactions were down more than 40% from prior year levels, and less than 40% of restaurants in the U.S. were open for indoor dining by the end of May. The environment has improved steadily in subsequent months: by the middle of July, restaurant customer transactions were down around 12% from prior year levels, and more than 80% of restaurants nationwide were open for indoor dining by the end of September. The improving trends are due to a confluence of factors, including relaxed government restrictions, expanded outdoor seating, and increased adoption of takeout and delivery. Although the recovery from March and April lows has been encouraging, it is still uncertain when pre-pandemic level demand will return and much of the industry is still suffering. The bar and restaurant channel represents around 60% of foodservice distribution industry revenues and likely comprises a larger portion of industry profits.

During the tumultuous March period, share prices of Sysco Corporation (SY) ("Sysco") and US Foods Holding Corp. (USFD) ("US Foods") tumbled. Sysco share prices were more than halved from their February levels, while US Foods shares declined more than 70% from where they were priced the prior month. This provided us an opportunity to initiate positions in what we consider to be two exceptional businesses at attractive valuations. We bought new positions in Sysco in the Clarkston Partners Fund and Clarkston Fund and US Foods in the Clarkston Partners Fund and Clarkston Founders Fund. Additionally, we added to the Clarkston Founders Fund's position in Sysco during this period.

Since March, both Sysco and US Foods have taken steps to protect and strengthen their franchises, while helping their customers navigate a difficult business environment. Both distributors raised additional capital through the debt markets and took aggressive cost cutting measures. These actions were designed to ensure liquidity in the event of prolonged shutdowns. Other industry participants may have entered the crisis with less durable balance sheets and limited or no access to the capital markets. If less-resourced competitors falter or exit the market, Sysco and US Foods could be the beneficiaries. They have taken on more of a consultative role during this period to further solidify their value propositions. Both Sysco and US Foods have helped their customers navigate the CARES Act, implement takeout menus, increase social media engagement, and re-open restaurants safely. These actions are likely to create valuable and sustained customer goodwill that may help both businesses emerge stronger.



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As we enter late fall and the winter months, we may see a reversal of the opening trend, and states may force restaurants to shut down yet again. We feel that in the longer term, however, food consumed away from home, whether it be sitting in a restaurant or carrying food out, will continue to take share from food consumed at home. This bodes well for the larger food distributors that possess the scale to service these restaurants and assist them in navigating unknowable future environments.

**Airlines:**

Sabre Corp. (SABR) ("Sabre"), held in the Clarkston Partners Fund and Clarkston Founders Fund, connects travel suppliers with travel buyers by providing travel inventory from airlines, hotels, rental car companies, etc. to places where people buy travel, like travel management companies, online travel agents, and offline travel agents. In addition, they provide outsourced information technology services for airlines and hotels. Sabre's revenue is 15% contractual and 85% transactional. As travel has remained significantly depressed worldwide due to COVID-19, Sabre has seen drastic reductions to its transactional revenue. To help offset the significant revenue headwinds, Sabre has taken steps to cut costs and conserve cash, both in the short term and long-term. For example, it cut pay, suspended the dividend, furloughed and laid off workers, among other moves, to reduce costs, and it issued debt, convertible debt, convertible equity, and common equity to bolster its cash position. Sabre currently has enough cash on hand to survive a zero-booking environment through about the summer of 2022. Currently, bookings are not zero but are very low compared to historical averages.

While the price of Sabre shares have dropped significantly this year, and remain down over 65%, we remain positive on Sabre's competitive positioning, and the industry dynamics. The global distribution system (GDS) technology that Sabre pioneered is responsible for over 50% of airline bookings every year. This market is an oligopoly, with Sabre as one of the largest players. In addition, Sabre serves as the enterprise resource planning (ERP) technology for major airlines around the globe. It provides technology that does everything from booking, inventory management and boarding, to crew and cargo planning. Airlines and hotels are navigating through an unprecedented travel environment and we do believe it to be a temporary state. We believe Sabre has enough cost flexibility and liquidity to weather this storm and will come out the other side just as essential as it was before. Additionally, if start-ups, and weaker traditional players, fail to survive the current travel environment, that could provide an opportunity for Sabre to win additional market share. However, Sabre's moves to strengthen its liquidity position have diluted common equity holders by about 40% on a fully diluted basis. We still feel that the shares are attractive at their current levels, but some of the upside has been taken away.

**Transportation:**

Transportation companies, such as FedEx Corporation (FDX) ("FedEx"), have played a crucial role during the pandemic as they delivered food, goods, medicine, and much more to businesses and consumers. FedEx is held in the Clarkston Founders Fund and Clarkston Fund. Its importance was further highlighted as air cargo capacity in commercial planes became globally constrained after airlines made the decision to dock their fleets. The global shutdown initially slowed much of FedEx's Business-to-Business (B2B) volumes, negatively impacting its margin profile. In addition, FedEx incurred additional operational costs to ensure the health and safety of its workers. This decline was offset by the surge in e-commerce raising Business-to-Consumer (B2C) volumes. In April, e-commerce had accounted for about 27% of total U.S. retail sales in comparison to about 16% the prior year. FedEx has publicly stated that it now believes that the US domestic market will reach 100 million packages a day by 2023, originally not expected until 2026. Although we do not expect e-commerce to persist at peak levels forever, we remain optimistic that it will remain

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elevated in comparison to previous years. Prior to COVID-19, the market had discredited FedEx for multiple long-term initiatives the company was taking to position itself for the future – the first of which being the decision to cut ties with Amazon.com, Inc. (“Amazon”). Although the relationship was beneficial to FedEx’s volumes, the contract involved moving some of Amazon’s most expensive packages, which diminished margins. Secondly, FedEx has continued to operate at levels of elevated capital expenditures to build out needed capacity, ultimately hindering cash flows in the short term. As FedEx’s share prices fell and we calculated a FCF valuation of low- to mid-teens for the business, we continued to add to the Clarkston Founders Fund’s and Clarkston Fund’s positions in late February and throughout March.

Throughout the pandemic, FedEx has been utilizing the excess capacity it had been building for multiple years. The large surge of B2C volumes allowed the company to increase route density, improve margins, and become more selective on revenue quality. As FedEx continues to execute on long-term initiatives, we have seen the shares appreciate 70% calendar year-to-date. Although FedEx’s valuation is no longer as attractive as it initially was in February and March, FedEx is poised to take advantage of continued volume growth, enhanced margin profiles, and increased pricing power in the future.

**Education:**

COVID-19 has forced remote learning to become common place from kindergarten through college. It has also placed an increased importance on trustworthy, peer-reviewed research and science. John Wiley (JW.A)(“Wiley”) is well positioned to capitalize on both of these long-term trends, even if the short term may be choppy. Wiley is held in the Clarkston Partners Fund. Wiley is a leader in the academic journal and online degree end markets and also participates in book publishing, test prep, and corporate learning end markets, among others. Wiley’s academic journals are among the most coveted for university libraries, government research institutions, and authors around the world. They are the third largest publisher and consistently rank among the top publishers when measured by Impact Factor. Publishing in prestigious academic journals is mission critical to a university professor’s path towards a tenured position. Wiley has recently become a leader in the open access publishing initiative through creative partnerships with groups of institutions around the world.

Wiley is very well positioned to continue publishing high-quality, mission-critical articles and journals around the world. Many of their university customers may be feeling financial pressure from short-term headwinds related to enrollment, tuition pressure, and remote learning. As a result, Wiley may need to acquiesce on price in the short term to maintain dominance in the end market. These short-term headwinds should be offset, in part, by increased open access publishing and high-single to low-double digit growth in article output. COVID-19 has accelerated the shift to remote learning, but it has also caused economic hardship in many countries around the world. Recessions typically see a declining enrollment of university students at the beginning, followed by an increase later on. Because Wiley shares in the tuition dollars of enrolled students in their online degree programs, they may see some short-term headwinds while being well positioned to capitalize on the long-term trends. In addition, Wiley enjoys a strong balance sheet that is under levered and it increased its dividend for the 27<sup>th</sup> straight year. We will be monitoring Wiley’s capital allocation activity with a focus on capital return versus the possibility of a merger or acquisition at the current share price.

*September 30, 2020 (Unaudited)***Media:**

The COVID-19 pandemic and lockdowns associated with it had varying impacts across the media landscape. On the consumption front, demand surged. In the absence of social gatherings, dining out, attending concerts, and traveling, people stayed home and consumed more media content. According to data from Nielsen Holdings plc (NLSN) ("Nielsen"), video streaming increased 74% in the second quarter of 2020, compared to the same quarter in 2019. Despite increased consumption, advertising spend softened as marketing budgets squeezed. Supplying fresh programming has been another area of difficulty. Sports – the bedrock of traditional television – were mostly shut down in the spring months. They have since returned, but uninterrupted seasons hinge on leagues' abilities to control outbreaks among players and personnel. Production of scripted and unscripted content was halted at the beginning of the crisis in March and has returned with varying levels of success. Delivery of planned programming and advertisers' willingness to spend are clearer now than at the outset of the crisis, but they are both still unknowns. Amid the market volatility in March, we were able to add to the Clarkston Partners Fund's, Clarkston Founders Fund's and Clarkston Fund's positions in Nielsen.

We believe Nielsen possesses a resilient business model that is well equipped to weather challenging environments. Around 70% of the firm's revenues are committed through long-term contracts and many of its non-subscription-based products and services are essential to its clients. Nielsen acted swiftly at the outset of the pandemic. In April, it removed around \$200 million of temporary costs to increase liquidity. It also extended the duration of debt maturities to enhance flexibility in the coming months. In addition to these defensive moves, Nielsen used the crisis as an opportunity to go on offense – accelerating previously planned business optimization efforts. This is expected to permanently reduce the company's cost structure by around \$250 million through increased automation, workforce reduction, platform consolidation, and strategic business exits. We believe these measures position Nielsen well to navigate the current environment's challenges while remaining opportunistic with an eye on the long-term.

In the Clarkston Founders Fund, we initiated a position in Fox Corporation (FOXA) ("Fox") in early July. Fox shares were nearly halved in March from prior month levels. The share price recovered in ensuing months but remained materially lower than pre-pandemic levels.

Fox spun out of 21<sup>st</sup> Century Fox in the Spring of 2019, coincident with the merger between The Walt Disney Company and 21<sup>st</sup> Century Fox. Fox is an owner-operator with an extremely focused portfolio of media assets highly levered to the most defensible areas of pay-television: news and sports. Fox's assets primarily consist of the Fox News, Fox Business, and FS1 cable networks, the Fox broadcast network, and 28 owned and operated television stations.

The pandemic's effect on Fox has differed across its portfolio. Fox News reported its highest ratings ever this year and was the highest rated network across all television – the first time a cable network has surpassed all the broadcast networks over a three-month period. This boon in ratings is attributable to a strong and persistent news cycle. The ratings increases have enabled Fox News to grow advertising revenue year-to-date over prior year levels. Local advertising at its owned and operated stations has been softer, as local businesses cut advertising budgets to focus on more immediate needs. Programming on its network was shuffled around to accommodate unusual sports seasons and delays in production of entertainment programming.

Fox entered the crisis with modest leverage and ample cash on the balance sheet. It raised additional debt to pre-fund a 2021 debt maturity and to add to its liquidity position.

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**Where We Are Now**

It seems paradoxical that today's market is one of the most expensive we have seen in many years, but the economy at large is in the worst shape it has been for just as long. Some of this market performance can be related to the proliferation of giant technology businesses like Apple Inc., Microsoft Corporation, Amazon, etc. Investors have only fallen more in love with these behemoths, and they likely aren't going away anytime soon.

While these businesses continue to steal the limelight, Clarkston Capital is finding value in smaller micro-niche businesses with market capitalizations under \$10 billion. There also seems to be a COVID-19 trade, similar to the growth/value trade over the past few years. Investors are selling businesses impacted by COVID-19 when the outlook is bleak and buying technology businesses. When there is news about a vaccine or a stimulus agreement, the opposite trade occurs. We believe that strong businesses with strong balance sheets, whether or not they operate in industries affected by COVID-19, will prosper in the long-term. It just so happens that these businesses trade at more attractive valuations according to our estimates.

Beyond that, we fervently believe that strong people with strong hearts will prosper in the long-term, despite the pandemic's shadow looming over us as of late. These days are dark, but we must endure as best we can, looking for the silver linings to light the way, until the sky finally clears. Again, we hope you stay happy and safe.

Thank you,

Jeffrey A. Hakala, CFA, CPA

Jerry W. Hakala, CFA



**Past performance does not guarantee future results.** *The views and information discussed in this letter are as of the date of publication, are subject to change, and may not reflect the writer's current views. The views expressed are those of Clarkston Capital Partners, LLC, the investment adviser to the Clarkston Funds, and represent an assessment of market conditions at a specific point in time, are opinions only and should not be relied upon as investment advice regarding a particular investment or markets in general. The information provided does not constitute a recommendation to buy or sell specific securities or investment vehicles. It should not be assumed that any investment will be profitable or will equal the performance of any securities or any sectors mentioned in this letter. The subject matter contained in this letter has been derived from several sources believed to be reliable and accurate at the time of compilation. Neither the Clarkston Funds nor Clarkston Capital Partners, LLC accepts any liability for losses, either direct or consequential, caused by the use of this information.*

**DISCLOSURES:**

*The Clarkston Funds invests in companies Clarkston Capital believes to be of high quality and believes to be undervalued relative to their expected long-term free cash flows. Clarkston Capital refers to this investment philosophy as "Quality Value". Clarkston Capital defines high-quality companies as those that meet certain financial, business and management criteria, which may vary over time. These criteria include favorable profitability metrics, sustainable competitive advantages and capable management teams.*

*The Gordon Growth Model is used to determine the intrinsic value of a stock based on a future series of dividends that grow at a constant rate. The Model assumes the dividend grows at a constant rate in perpetuity and solves for the present value of the infinite series of future dividends.*

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*Enterprise Resource Planning refers to a type of software that organizations use to manage day-to-day business activities such as accounting, procurement, project management, risk management and compliance, and supply chain operations.*

*Open Access is a set of principles and a range of practices through which research is distributed online, free of cost or other access barriers.*

*Impact Factor is a measure of the frequency with which the average article in a journal has been cited in a particular year or period.*

*All references to portfolio holdings are as of September 30, 2020.*

**Performance**

If someone would have told us on October 1<sup>st</sup>, 2019 that during the next twelve months, a deadly pandemic would affect over 35 million people and kill over 1 million, we would have forecast a negative return for equities. Instead, equity markets continued the upward march with the Russell 3000® Index gaining 15.00% for the twelve months ended September 30, 2020. This remarkable performance was entirely driven by beloved technology businesses that were seemingly immune to COVID-19 while the performance of businesses in the travel, retail, and hospitality sectors were severely negative.

The Russell 3000® Growth Index grew 36.12% during the twelve months ended September 30, 2020 while its sister Russell 3000® Value Index fell 5.67%. Therefore, a portfolio without large-cap technology names, such as Facebook, Inc. (FB), Amazon.com, Inc. (AMZN), Apple Inc. (AAPL), Netflix, Inc. (NFLX), and Microsoft Corporation (MSFT), did not experience the same level of appreciation as those heavily exposed to these names. Consequently, smaller-cap businesses underperformed larger ones, with the Russell 2500™ Index gaining only 2.22%. The Clarkston Partners Fund – Institutional Class performed similarly, gaining 2.07%.

**Top Contributors**

Top contributors to the Fund included food distribution companies, Sysco Corporation (SYU) and US Foods Holding Corp. (USFD), which we added to the Fund at attractive prices in March of this year. During the pandemic, both companies have taken steps to protect and strengthen their franchises, while helping their customers navigate a difficult business environment. They raised additional capital through the debt markets and took aggressive cost cutting measures. These actions ensured liquidity in the event of prolonged shutdowns. The other 15,000 industry participants likely entered the crisis with less durable balance sheets and limited or no access to the capital markets. As these less resourced competitors falter, or exit, Sysco and US Foods are the most likely beneficiaries.

Legg Mason, Inc. (LM), another top contributor, was acquired by Franklin Resources, Inc. (BEN). While the investment in Legg was profitable for Fund shareholders, we believe Franklin bought Legg at a discount, which piqued our interest in Franklin's shares. We initiated a position in BEN shortly after announcement of the acquisition. We believe BEN's fortress balance sheet and the Johnson family's significant ownership make the combination compelling because BEN has the financial wherewithal and long-term time horizon to see this transaction through. Finally, we appreciate the Johnson family's long-term management approach, which inherently increases the probability of success for the transaction especially in the ever-changing industry environment.

Change Healthcare, Inc. (CHNG) benefited as healthcare utilization improved dramatically. At the outset of the crisis, utilization was down around 40%, and by the end of Q2, utilization had improved; down only 8%. A resilient business model and strong balance sheet has allowed CHNG to remain opportunistic during this crisis, making three small tuck-in acquisitions in the areas of imaging and pharmacy. We believe valuation is still attractive at these levels.

Artisan Partners Asset Management, Inc. Class A (APAM) appreciated during the year due to higher average AUM driven by strong investment results, YTD net inflows, and higher equity markets. We are attracted to APAM's talent-driven culture, where each investment team acts as its own boutique firm with the scale and resources of a fully integrated firm.

**Top Detractors**

The largest detractor during the twelve months ended September 30, 2020 was Nielsen Holdings Plc (NLSN). Investors sold shares as the company experienced revenue softness in some short cycle analytics products, as clients reined in spending. However, the company's recurring revenue stream, which accounts for about 70% of the revenue base, provides stability during volatile business environments. The Company increased the duration of debt maturities, positioning the balance sheet more favorably. Nielsen recently announced the sale of its Global Connect business for \$2.7B to Advent International, in partnership with Jim Peck, the former TransUnion CEO. The transaction is expected to close in early Q2 2021. Proceeds will be used to de-leverage the business.

Molson Coors Beverage Company Class B (TAP) declined due to global shutdowns of on-premises establishments, including bars, restaurants, and entertainment venues. While some states in the U.S. have re-opened in recent months, the restaurants and bars that made it through the COVID-19 shutdown have re-opened at reduced capacity. Molson's on-premises channel accounts for approximately 20% of revenues. Fortunately, some beer consumption shifted to the off-premises channel but was not enough to offset the loss of on-premises sales, which typically carry higher margins than off-premises sales. A positive trend from the shift in consumption to the off-premises channel (people drinking at home) is consumers gravitating towards established brands they know and trust. This has resulted in a spike in consumer trial for Molson which has re-introduced, and in some cases has introduced consumers for the first time to established beer brands such Coors Light and Miller Lite again.

Sabre Corp's (SABR) revenues were affected by severe declines in corporate travel. As travel has remained significantly depressed worldwide, Sabre has seen drastic reductions to its transactional revenue. To help offset the significant revenue headwinds, Sabre has taken steps to cut costs and conserve cash, both in the short term and long term. For example, they cut pay, suspended the dividend, furloughed and laid off workers, among other moves, to reduce costs, and they issued debt, convertible debt, convertible equity, and common equity to bolster their cash position. While shares of Sabre have dropped significantly this year, we remain positive on Sabre's competitive positioning, and the industry dynamics. The GDS technology that Sabre pioneered is responsible for over 50% of airline bookings every year and the market is an oligopoly with Sabre as one of the largest players.

Shares of Affiliated Managers Group, Inc. (AMG) were negatively impacted by performance related outflows from its quantitative and U.S. value affiliates which weighed on operating performance. Shares of AMG declined lower during the quarter as outflows in select quantitative and value strategies persisted. CEO Jay Horgen and CFO Tom Wojcik continue to think and act like owner-operators. The Company's decision to cut the dividend and re-allocate capital to share repurchases was a bold action, and one that we believe will create long-term shareholder value.

Matthews International Corp. Class A (MATW) was also a top detractor during the last twelve months and has been a long-time underperformer in the Fund. We eliminated the position in Matthews because we believe management has failed to take significant actions to unlock value and de-lever the balance sheet.

**Initiations & Eliminations**

During the last twelve months, we eliminated seven business from the portfolio primarily due to our decision to reallocate capital to new and existing holdings, which we felt provided demonstrably better valuation opportunities. Included in these six eliminations was Legg Mason, which we sold after the announcement that the company was selling to Franklin.

Newly added business during the year included Sysco, US Foods, US Ecology, Inc. (ECOL), and Franklin Resources, Inc. We also added significant capital to several existing positions over the past twelve months. As a result of these additions and eliminations, we believe the Clarkston Partners Fund is well positioned as world governments navigate their way through the pandemic.



September 30, 2020 (Unaudited)

**Top Ten Holdings** (as a % of Net Assets)\*

Change Healthcare, Inc.	7.61%
Stericycle, Inc.	7.37%
Nielsen Holdings PLC	7.05%
CDK Global, Inc.	6.30%
Molson Coors Beverage Co.	5.44%
Hillenbrand, Inc.	5.03%
LPL Financial Holdings, Inc.	4.89%
Brown & Brown, Inc.	4.41%
Willis Towers Watson PLC	4.27%
The Western Union Co.	4.18%

<b>Top Ten Holdings</b>	<b>56.55%</b>
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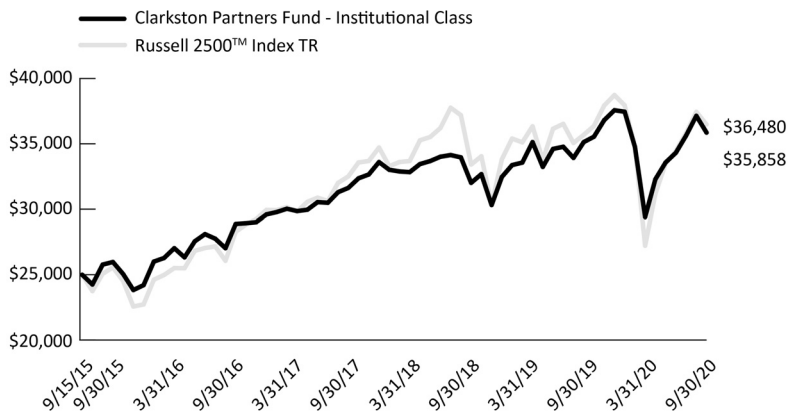
**Sector Allocation** (as a % of Net Assets)\*

Financials	24.38%
Industrials	16.25%
Technology	13.91%
Consumer Staples	13.32%
Consumer Discretionary	11.53%
Utilities	8.42%
Cash, Cash Equivalents, & Other Net Assets	12.19%

<b>Total</b>	<b>100.00%</b>
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\* Holdings are subject to change, and may not reflect the current or future position of the portfolio.

September 30, 2020 (Unaudited)

**Performance of a Hypothetical \$25,000 Initial Investment (at Inception\* through September 30, 2020)**

The graph shown above represents historical performance of a hypothetical investment of \$25,000 in the Institutional Class. Due to differing expenses, performance of the Founders Class will vary. Past performance does not guarantee future results. All returns reflect reinvested dividends, but do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

**Average Annual Total Returns (as of September 30, 2020)**

	1 Year	3 Year	5 Year	Since Inception*
Clarkston Partners Fund – Founders Class	2.18%	4.75%	8.28%	7.55%
Clarkston Partners Fund – Institutional Class	2.07%	4.64%	8.14%	7.42%
Russell 2500™ Index TR	2.22%	4.45%	8.97%	7.78%

The performance data quoted above represents past performance. Past performance is not a guarantee of future results. Recent market volatility may have meaningfully impacted performance. There is no guarantee that any positive impact will be repeated. Investment return and value of the Fund shares will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Fund performance current to the most recent month end is available by calling (844) 680-6562 or by visiting [www.clarkstonfunds.com](http://www.clarkstonfunds.com).

\* Fund's inception date is September 15, 2015.

The Russell 2500™ Index TR measures the performance of the small- to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500™ Index TR is a subset of the Russell 3000® Index. It includes approximately 2,500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500™ Index TR is constructed to provide a comprehensive and unbiased barometer for the small- to mid-cap segment. The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

September 30, 2020 (Unaudited)

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***Returns of less than 1 year are cumulative.***

***Indices are not actively managed and do not reflect a deduction for fees, expenses or taxes. An investor cannot invest directly in an index.***

***The returns shown above do not reflect the deduction of taxes a shareholder would pay on Fund distributions or redemption of Fund shares.***

***The total annual operating expenses and total annual operating expenses after fee waivers and/or reimbursement you may pay as an investor in the Fund’s Founders Class and Institutional Class shares (as reported in the January 28, 2020 Prospectus), are 0.92% and 0.85% and 1.07% and 1.00%, respectively. The Fund’s investment adviser has contractually agreed to limit expenses through January 31, 2021.***

***All references to portfolio holdings are as of September 30, 2020.***

**Performance**

If someone would have told us on October 1<sup>st</sup>, 2019 that during the next twelve months, a deadly pandemic would affect over 35 million people and kill over 1 million, we would have forecast a negative return for equities. Instead, equity markets continued the upward march with the Russell 3000® Index gaining 15.00% for the twelve months ended September 30, 2020. This remarkable performance was entirely driven by beloved technology businesses that were seemingly immune to COVID-19 while the performance of businesses in the travel, retail, and hospitality sectors were severely negative.

The Russell 3000® Growth Index grew 36.12% during the twelve months ended September 30, 2020 while its sister Russell 3000® Value Index fell 5.67%. Therefore, a portfolio without large-cap technology names, such as Facebook, Inc. (FB), Amazon.com, Inc. (AMZN), Apple Inc. (AAPL), Netflix, Inc. (NFLX), and Microsoft Corporation (MSFT), did not experience the same level of appreciation as those heavily exposed to these names. The only business on this list owned in the Clarkston Fund was Microsoft, therefore relative performance trailed that of the Russell 1000® Index. The Clarkston Fund gained only 0.81% versus 16.01% for the Russell 1000® Index.

**Top Contributors**

Top contributors to the Fund included three transportation companies: FedEx Corporation (FDX), United Parcel Service, Inc. Class B (UPS), and C.H. Robinson Worldwide, Inc. The distribution infrastructure offered by these businesses grew increasingly valuable with higher demand for ecommerce shipments.

We added shares to the existing position in Sysco Corporation (SY) at depressed prices during the height of the pandemic. Shares recovered during the summer placing Sysco as a top contributor during the year. Sysco has taken steps to protect and strengthen its franchise, while helping its customers navigate a difficult business environment. It raised additional capital through the debt markets and took aggressive cost cutting measures. These actions ensured liquidity in the event of prolonged shutdowns. The other 15,000 industry participants likely entered the crisis with less durable balance sheets and limited or no access to the capital markets. As these less resourced competitors falter, or exit, Sysco is a likely beneficiary.

Microsoft, another top contributor, is an excellent business with extremely high returns on capital, recurring revenue streams, and a fortress balance sheet; all of which are protected by sustainable competitive advantages in the form of switching costs.

**Top Detractors**

Four of the bottom five contributors saw at least temporary declines in revenues because of responses to COVID-19. Anheuser-Busch InBev SA/NV Sponsored ADR (BUD) and Molson Coors Beverage Company Class B (TAP) declined due to global shutdowns of on-premises establishments, including bars, restaurants, and entertainment venues. While some states in the U.S. have re-opened in recent months, the restaurants and bars that made it through the COVID-19 shutdown have re-opened at reduced capacity. Molson and BUD's on-premises channel accounts for approximately 20% of revenues. Fortunately, some beer consumption shifted to the off-premises channel but was not enough to offset the loss of on-premises sales, which typically carry higher margins than off-premises sales. A positive trend from the shift in consumption to the off-premises channel (people drinking at home) is consumers gravitating towards established brands they know and trust. This has resulted in a spike in consumer trial for Molson and BUD which have re-introduced, and in some

cases has introduced consumers for the first time to established beer brands such Coors Light, Miller Lite, and Bud Light again.

Nielsen Holdings Plc (NLSN) was also a top detractor during the year. Investors sold shares as the company experienced revenue softness in some short cycle analytics products, as clients reigned in spending. However, the company's recurring revenue stream, which accounts for a larger percentage of the revenue base, provides stability during volatile business environments. The Company increased the duration of its debt maturities, positioning the balance sheet more favorably. Nielsen recently announced the sale of its Global Connect business for \$2.7B to Advent International, in partnership with Jim Peck, the former TransUnion CEO. The transaction is expected to close in early Q2 2021. Proceeds will be used to de-leverage the business.

General Electric Company (GE) continues to face headwinds across its most profitable businesses related to COVID-19, especially in its Aviation segment. Lack of visibility in many of GE's businesses and the related uncertainty surrounding the recovery in commercial aviation will continue to weigh on GE Industrial's operating performance.

Shares of Affiliated Managers Group, Inc. (AMG) were negatively impacted by performance-related outflows from its quantitative and U.S. value affiliates which weighed on operating performance. Shares of AMG declined lower during the quarter as outflows in select quantitative and value strategies persisted. CEO Jay Horgen and CFO Tom Wojcik continue to think and act like owner-operators. The company's decision to cut the dividend and re-allocate capital to share repurchases was a bold action, and one that we believe will create long-term shareholder value.

### **Initiations & Eliminations**

During the last twelve months, we eliminated six business from the portfolio, primarily due to our decision to reallocate capital to one new name – Franklin Resources, Inc. (BEN) – and several existing holdings, which we felt provided demonstrably better valuation opportunities. As a result of these actions, we believe the Clarkston Fund is well positioned as world governments navigate their way through the pandemic.

September 30, 2020 (Unaudited)

**Top Ten Holdings** (as a % of Net Assets)\*

FedEx Corp.	9.86%
Anheuser-Busch InBev SA/NV	7.45%
Nielsen Holdings PLC	6.43%
American Express Co.	5.62%
General Electric Co.	5.11%
Willis Towers Watson PLC	4.87%
Sysco Corp.	4.75%
The Western Union Co.	4.55%
Franklin Resources, Inc.	4.41%
Molson Coors Beverage Co.	3.95%

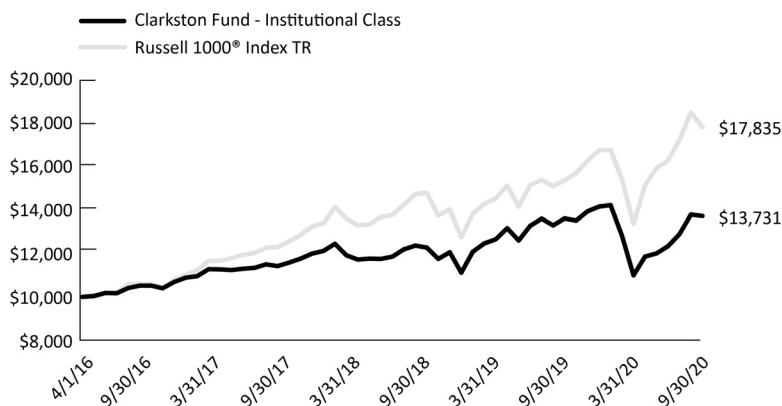
<b>Top Ten Holdings</b>	<b>57.00%</b>
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**Sector Allocation** (as a % of Net Assets)\*

Industrials	38.11%
Consumer Staples	27.08%
Financials	17.54%
Consumer Discretionary	7.33%
Technology	3.47%
Cash, Cash Equivalents, & Other Net Assets	6.47%
<b>Total</b>	<b>100.00%</b>

\* Holdings are subject to change, and may not reflect the current or future position of the portfolio.

September 30, 2020 (Unaudited)

**Performance of a Hypothetical \$10,000 Initial Investment** (at Inception\* through September 30, 2020)

The graph shown above represents historical performance of a hypothetical investment of \$10,000 in the Institutional Class. Past performance does not guarantee future results. All returns reflect reinvested dividends, but do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

**Average Annual Total Returns** (as of September 30, 2020)

	6 Month	1 Year	3 Year	Since Inception*
Clarkston Fund – Institutional Class	24.87%	0.81%	5.83%	7.30%
Russell 1000® Index TR	33.36%	16.01%	12.38%	13.73%

The performance data quoted above represents past performance. Past performance is not a guarantee of future results. Recent market volatility may have meaningfully impacted performance. Investment return and value of the Fund shares will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Fund performance current to the most recent month-end is available by calling (844) 680-6562 or by visiting [www.clarkstonfunds.com](http://www.clarkstonfunds.com).

\* Fund's inception date is April 1, 2016.

The Russell 1000® Index TR measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® Index TR represents approximately 92% of the U.S. market. The Russell 1000® Index TR is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

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*Returns of less than 1 year are cumulative.*

*Indices are not actively managed and do not reflect a deduction for fees, expenses or taxes. An investor cannot invest directly in an index.*

*The returns shown above do not reflect the deduction of taxes a shareholder would pay on Fund distributions or redemption of Fund shares.*

*The total annual operating expenses and total annual operating expenses after fee waivers and/or reimbursement you may pay as an investor in the Fund's Institutional Class shares (as reported in the January 28, 2020 Prospectus), are 0.96% and 0.70%, respectively. The Fund's investment adviser has contractually agreed to limit expenses through January 31, 2021.*



**Performance**

If someone would have told us on October 1<sup>st</sup>, 2019 that during the next twelve months, a deadly pandemic would affect over 35 million people and kill over 1 million, we would have forecast a negative return for equities. Instead, equity markets continued the upward march with the Russell 3000® Index gaining 15.00% for the twelve months ended September 30, 2020. This remarkable performance was entirely driven by beloved technology businesses that were seemingly immune to COVID-19 while the performance of businesses in the travel, retail, and hospitality sectors were severely negative.

The Russell 3000® Growth Index grew 36.12% during the twelve months ended September 30, 2020 while its sister Russell 3000® Value Index fell 5.67%. Therefore, a portfolio without large-cap technology names, such as Facebook, Inc. (FB), Amazon.com, Inc. (AMZN), Apple Inc. (AAPL), Netflix, Inc. (NFLX), and Microsoft Corporation (MSFT), did not experience the same level of appreciation as those heavily exposed to these names. Consequently, mid-cap businesses underperformed larger ones, with the Russell Midcap® Index gaining only 4.55%. The Clarkston Founders Fund – Institutional Class handsomely outperformed the index and gained 9.34%.

**Top Contributors**

The top contributor, FedEx Corporation (FDX), drove much of the performance during the year. COVID-19 has greatly benefited parcel carriers, like FedEx, as they have seen a large inflow of volumes due to the rise in e-commerce. In addition, as commercial air cargo capacity remains constrained, the parcel carriers have been able to flex their pricing power, implementing surcharges. FedEx continues to benefit from its execution on long-term initiatives for the company. The expansion to 7-day delivery now reaches 95% of the US population and facilitates additional capacity to handle the surges of volume inflows during the pandemic. FedEx continues to improve its margin profile driven by the inflow of volumes, route density, pricing power, and the interoperability of their business segments.

Another top contributor, food distributor Sysco Corporation (SYY), took steps to protect and strengthen its franchise, while helping its customers navigate a difficult business environment during the pandemic. Sysco raised additional capital through the debt markets and took aggressive cost cutting measures. These actions ensured liquidity in the event of prolonged shutdowns. While the pandemic may temporarily depress Sysco's earnings, there are 15,000 smaller industry participants that entered the crisis with less durable balance sheets and limited or no access to the capital markets. As these resourced-stretched competitors falter, or exit, Sysco is a likely beneficiary.

Anheuser-Busch InBev SA/NV Sponsored ADR (BUD), a new position in the Clarkston Founders Fund, struggled due to global shutdowns of on-premises establishments, including bars, restaurants, and entertainment venues, but because we initiated shares at depressed prices during the height of the pandemic, the position was a top contributor versus competitor Molson Coors Beverage Company Class B (TAP), which was a detractor. While some states in the U.S. have re-opened in recent months, the restaurants and bars that made it through the COVID-19 shutdown have re-opened at reduced capacity. BUD retired debt during the year as it looks to de-lever the balance sheet to its long-term net leverage target of 2.0x.

Change Healthcare, Inc. (CHNG) benefited as healthcare utilization improved dramatically. At the outset of the crisis, utilization was down around 40%, and by the end of Q2, utilization improved and was down only 8%. A resilient business model and strong balance sheet has allowed CHNG to remain opportunistic during this crisis, making three small tuck-in acquisitions in the areas of imaging and pharmacy. Valuation is still attractive at these levels.

Organic net asset growth at LPL Financial Holdings, Inc. (LPLA) continued to accelerate due to investments made to enhance its capabilities to advisors.

### Top Detractors

The largest detractor during the twelve months ended September 30, 2020 was Nielsen Holdings Plc (NLSN). Investors sold shares as the company experienced revenue softness in some short cycle analytics products, as clients reigned in spending. However, the company's recurring revenue stream, which accounts for a larger percentage of the revenue base, provides stability during volatile business environments. The company increased the duration of its debt maturities, positioning the balance sheet more favorably. Nielsen recently announced the sale of its Global Connect business for \$2.7B to Advent International, in partnership with Jim Peck, the former TransUnion CEO. The transaction is expected to close in early Q2 2021. Proceeds will be used to de-leverage the business.

Molson Coors declined due to global shutdowns of on-premises establishments, including bars, restaurants, and entertainment venues. Fortunately, some beer consumption shifted to the off-premises channel but wasn't enough to offset the loss of on-premises sales, which typically carry higher margins than off-premises sales. A positive trend from the shift in consumption to the off-premises channel (people drinking at home) is consumers gravitating towards established brands they know and trust. This has resulted in a spike in consumer trial for Molson which has re-introduced, and in some cases has introduced consumers for the first time to established beer brands such Coors Light and Miller Lite again.

Sabre Corp's (SABR) revenues were affected by severe declines in corporate travel. As travel has remained significantly depressed worldwide, Sabre has seen drastic reductions to its transactional revenue. To help offset the significant revenue headwinds, Sabre has taken steps to cut costs and conserve cash, both in the short term and long-term. For example, it cut pay, suspended the dividend, furloughed and laid off workers, among other moves, to reduce costs, and it issued debt, convertible debt, convertible equity, and common equity to bolster its cash position. While shares of Sabre have dropped significantly this year, we remain positive on Sabre's competitive positioning, and the industry dynamics. The GDS technology that Sabre pioneered is responsible for over 50% of airline bookings every year and the market is an oligopoly with Sabre as one of the largest players.

Shares of Affiliated Managers Group, Inc. (AMG) were negatively impacted by performance-related outflows from its quantitative and U.S. value affiliates which weighed on operating performance. Shares of AMG declined lower during the quarter as outflows in select quantitative and value strategies persisted. CEO Jay Horgen and CFO Tom Wojcik continue to think and act like owner-operators. The company's decision to cut the dividend and re-allocate capital to share repurchases was a bold action, and one that we believe will create long-term shareholder value. AMG is one of the cheapest names in our universe. Franklin Resources, Inc. (BEN), a new fund holding, was also a victim of outflows.

**Initiations & Eliminations**

During the last twelve months, we eliminated eight business from the portfolio, primarily due to our decision to reallocate capital to new and existing holdings, which we felt provided demonstrably better valuation opportunities. Included in these eliminations was Legg Mason, which was acquired by Franklin Resources.

Newly added businesses during the year included FedEx, LPL, US Foods Holding Corp (USFD), Anheuser-Busch InBev, Fox Corporation Class A (FOXA) and Franklin Resources. We also added capital to several existing positions over the past twelve months. As a result of these additions and eliminations, we believe the Clarkston Founders Fund is well positioned as world governments navigate their way through the pandemic.

September 30, 2020 (Unaudited)

**Top Ten Holdings** (as a % of Net Assets)\*

FedEx Corp.	8.59%
Nielsen Holdings PLC	7.08%
Change Healthcare, Inc.	6.96%
Stericycle, Inc.	6.18%
Anheuser-Busch InBev SA/NV	6.02%
CDK Global, Inc.	5.90%
Sysco Corp.	4.17%
Affiliated Managers Group, Inc.	4.13%
Molson Coors Beverage Co.	3.97%
Brown & Brown, Inc.	3.87%

<b>Top Ten Holdings</b>	<b>56.87%</b>
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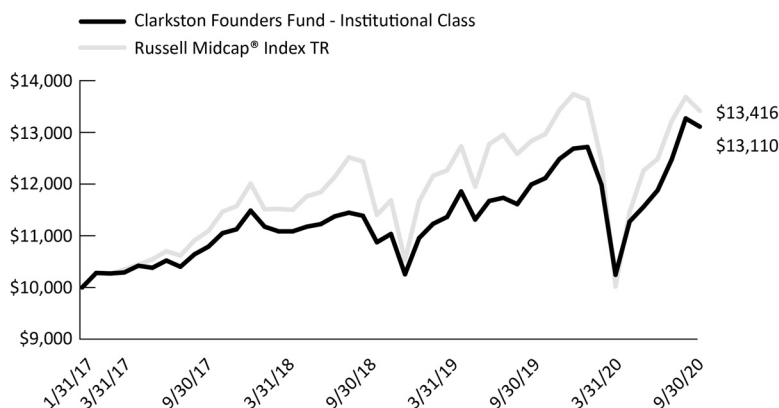
**Sector Allocation** (as a % of Net Assets)\*

Financials	21.28%
Consumer Staples	18.51%
Industrials	16.16%
Technology	12.86%
Consumer Discretionary	10.92%
Utilities	6.18%
Cash, Cash Equivalents, & Other Net Assets	14.09%

<b>Total</b>	<b>100.00%</b>
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\* Holdings are subject to change, and may not reflect the current or future position of the portfolio.

September 30, 2020 (Unaudited)

**Performance of a Hypothetical \$10,000 Initial Investment** (at Inception\* through September 30, 2020)

The graph shown above represents historical performance of a hypothetical investment of \$10,000 in the Institutional Class. Past performance does not guarantee future results. All returns reflect reinvested dividends, but do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

**Average Annual Total Returns** (as of September 30, 2020)

	6 Month	1 Year	3 Year	Since Inception*
Clarkston Founders Fund – Institutional Class	27.98%	9.34%	7.21%	7.67%
Russell Midcap® Index TR	33.90%	4.55%	7.13%	8.35%

The performance data quoted above represents past performance. Past performance is not a guarantee of future results. Recent market volatility may have meaningfully impacted performance. There is no guarantee that any positive impact will be repeated. Investment return and value of the Fund shares will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Fund performance current to the most recent month end is available by calling (844) 680-6562 or by visiting [www.clarkstonfunds.com](http://www.clarkstonfunds.com).

\* Fund's inception date is January 31, 2017.

The Russell Midcap® Index is a market capitalization weighted index that measures the performance of the mid-capitalization sector of the U.S. equity market and includes approximately 800 of the smallest issuers in the Russell 1000® Index. The Russell 1000® Index includes the 1,000 largest stocks in the Russell 3000® Index, which consists of the 3,000 largest U.S. public companies.

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*Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.*

***Returns of less than 1 year are cumulative.***

***Indices are not actively managed and do not reflect a deduction for fees, expenses or taxes. An investor cannot invest directly in an index.***

***The returns shown above do not reflect the deduction of taxes a shareholder would pay on Fund distributions or redemption of Fund shares.***

***The total annual operating expenses and total annual operating expenses after fee waivers and/or reimbursement you may pay as an investor in the Fund's Institutional Class shares (as reported in the January 28, 2020 Prospectus), are 1.19% and 0.95%, respectively. The Fund's investment adviser has contractually agreed to limit expenses through January 31, 2021.***

**Example.** As a shareholder of the Clarkston Partners Fund, Clarkston Fund, or Clarkston Founders Fund (the “Funds”), you incur one type of cost, ongoing costs, including management fees and other Fund expenses. The following examples are intended to help you understand your ongoing costs (in dollars) of investing in a Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The examples are based on an investment of \$1,000 invested on April 1, 2020 and held through September 30, 2020.

**Actual Expenses.** The first line under each class in the following table 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 “Expenses Paid During Period April 1, 2020 – September 30, 2020” to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes.** The second line under each class in the following table provides information about hypothetical account values and hypothetical expenses based on a 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 a Fund and other mutual 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 Fund costs only and do not reflect any transactional costs. Therefore, the second line under each class in the table below is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

September 30, 2020 (Unaudited)

	Beginning Account Value April 1, 2020	Ending Account Value September 30, 2020	Expense Ratio <sup>(a)</sup>	Expenses Paid During Period April 1, 2020 - September 30, 2020 <sup>(b)</sup>
<b>Clarkston Partners Fund</b>				
<b>Founders Class</b>				
Actual	\$1,000.00	\$1,220.70	0.85%	\$ 4.72
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.75	0.85%	\$ 4.29
<b>Institutional Class</b>				
Actual	\$1,000.00	\$1,219.60	0.95%	\$ 5.27
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.25	0.95%	\$ 4.80
<b>Clarkston Fund</b>				
<b>Institutional Class</b>				
Actual	\$1,000.00	\$1,248.70	0.67%	\$ 3.77
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.65	0.67%	\$ 3.39
<b>Clarkston Founders Fund</b>				
<b>Institutional Class</b>				
Actual	\$1,000.00	\$1,279.80	0.91%	\$ 5.19
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.45	0.91%	\$ 4.60

<sup>(a)</sup> Each Fund's expense ratios have been annualized based on the Fund's most recent fiscal half-year expenses after any applicable waivers and reimbursements.

<sup>(b)</sup> Expenses are equal to the annualized expense ratio shown above for the applicable class, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (183), divided by 366.



September 30, 2020

	Shares	Value (Note 2)
<b>COMMON STOCK (87.81%)</b>		
<b>Consumer Discretionary (11.53%)</b>		
John Wiley & Sons, Inc., Class A	875,000	\$ 27,746,250
Nielsen Holdings PLC	5,610,000	79,549,800
Sabre Corp.	3,500,000	22,785,000
<b>Total Consumer Discretionary</b>		<u>130,081,050</u>
<b>Consumer Staples (13.32%)</b>		
Molson Coors Beverage Co., Class B	1,830,000	61,414,800
Post Holdings, Inc. <sup>(a)</sup>	319,000	27,434,000
Sysco Corp.	594,933	37,016,731
US Foods Holding Corp. <sup>(a)</sup>	1,102,000	24,486,440
<b>Total Consumer Staples</b>		<u>150,351,971</u>
<b>Financials (24.38%)</b>		
Affiliated Managers Group, Inc.	617,000	42,190,460
Artisan Partners Asset Management, Inc., Class A	1,066,876	41,597,495
Brown & Brown, Inc.	1,100,000	49,797,000
Franklin Resources, Inc.	1,875,000	38,156,250
LPL Financial Holdings, Inc.	720,000	55,202,400
Willis Towers Watson PLC	231,000	48,237,420
<b>Total Financials</b>		<u>275,181,025</u>
<b>Industrials (16.25%)</b>		
CH Robinson Worldwide, Inc.	289,616	29,595,859
Energypac Tool Group Corp., Class A	1,719,903	32,351,376
Hillenbrand, Inc.	2,000,000	56,720,000
Landstar System, Inc.	140,000	17,568,600
The Western Union Co.	2,200,000	47,146,000
<b>Total Industrials</b>		<u>183,381,835</u>
<b>Technology (13.91%)</b>		
CDK Global, Inc.	1,630,000	71,051,700
Change Healthcare, Inc. <sup>(a)</sup>	5,920,000	85,899,200
<b>Total Technology</b>		<u>156,950,900</u>
<b>Utilities (8.42%)</b>		
Stericycle, Inc. <sup>(a)</sup>	1,319,450	83,204,517

See Notes to Financial Statements.

September 30, 2020

	Shares	Value (Note 2)
<b>Utilities (continued)</b>		
US Ecology, Inc.	360,000	\$ 11,761,200
<b>Total Utilities</b>		<u>94,965,717</u>
<b>TOTAL COMMON STOCK</b>		
(Cost \$895,377,213)		<u>990,912,498</u>
<b>TOTAL INVESTMENTS (87.81%)</b>		
(Cost \$895,377,213)		<u>\$ 990,912,498</u>
<b>OTHER ASSETS IN EXCESS OF LIABILITIES (12.19%)</b>		137,555,224
<b>NET ASSETS (100.00%)</b>		<u><u>\$1,128,467,722</u></u>

<sup>(a)</sup> Non-income producing security.

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September 30, 2020

	Shares	Value (Note 2)
<b>COMMON STOCK (93.53%)</b>		
<b><i>Consumer Discretionary (7.33%)</i></b>		
Nielsen Holdings PLC	220,000	\$ 3,119,600
The Walt Disney Co.	3,500	434,280
<b><i>Total Consumer Discretionary</i></b>		<u>3,553,880</u>
<b><i>Consumer Staples (27.08%)<sup>(a)</sup></i></b>		
Anheuser-Busch InBev SA/NV, Sponsored ADR	67,000	3,609,960
Diageo PLC, Sponsored ADR	9,000	1,238,940
Molson Coors Beverage Co., Class B	57,000	1,912,920
Nestle SA, Sponsored, ADR	13,000	1,550,315
PepsiCo, Inc.	11,000	1,524,600
Sysco Corp.	37,000	2,302,140
The Procter & Gamble Co.	7,100	986,829
<b><i>Total Consumer Staples</i></b>		<u>13,125,704</u>
<b><i>Financials (17.54%)</i></b>		
Affiliated Managers Group, Inc.	24,000	1,641,120
Franklin Resources, Inc.	105,000	2,136,750
The Charles Schwab Corp.	47,000	1,702,810
US Bancorp	18,500	663,225
Willis Towers Watson PLC	11,300	2,359,666
<b><i>Total Financials</i></b>		<u>8,503,571</u>
<b><i>Industrials (38.11%)<sup>(a)</sup></i></b>		
American Express Co.	27,200	2,726,800
Capital One Financial Corp.	26,000	1,868,360
CH Robinson Worldwide, Inc.	11,927	1,218,820
FedEx Corp.	19,000	4,778,880
General Electric Co.	398,000	2,479,540
Mastercard, Inc., Class A	3,500	1,183,595
Paychex, Inc.	8,500	678,045
The Western Union Co.	103,000	2,207,290
United Parcel Service, Inc., Class B	8,000	1,333,040
<b><i>Total Industrials</i></b>		<u>18,474,370</u>
<b><i>Technology (3.47%)</i></b>		
Microsoft Corp.	8,000	1,682,640
<b>TOTAL COMMON STOCK (Cost \$43,111,903)</b>		<u>45,340,165</u>

See Notes to Financial Statements.

September 30, 2020

	Value (Note 2)
<b>TOTAL INVESTMENTS (93.53%)</b> <b>(Cost \$43,111,903)</b>	<u>\$45,340,165</u>
<b>OTHER ASSETS IN EXCESS OF LIABILITIES (6.47%)</b>	3,138,556
<b>NET ASSETS (100.00%)</b>	<u><u>\$48,478,721</u></u>

<sup>(a)</sup> *To the extent the Fund invests more heavily in particular sectors of the economy, its performance will be especially sensitive to developments that significantly affect those sectors. When sector categorization is broken down by industry, no industry exceeds the 25% maximum specified in the Statement of Additional Information.*

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September 30, 2020

	Shares	Value (Note 2)
<b>COMMON STOCK (85.91%)</b>		
<b><i>Consumer Discretionary (10.92%)</i></b>		
Fox Corp., Class A	55,000	\$ 1,530,650
Nielsen Holdings PLC	380,000	5,388,400
Sabre Corp.	214,000	1,393,140
<b>Total Consumer Discretionary</b>		<u>8,312,190</u>
<b><i>Consumer Staples (18.51%)</i></b>		
Anheuser-Busch InBev SA/NV, Sponsored ADR	85,000	4,579,800
Molson Coors Beverage Co., Class B	90,000	3,020,400
Post Holdings, Inc. <sup>(a)</sup>	21,500	1,849,000
Sysco Corp.	51,000	3,173,220
US Foods Holding Corp. <sup>(a)</sup>	66,000	1,466,520
<b>Total Consumer Staples</b>		<u>14,088,940</u>
<b><i>Financials (21.28%)</i></b>		
Affiliated Managers Group, Inc.	46,000	3,145,480
Brown & Brown, Inc.	65,000	2,942,550
Franklin Resources, Inc.	125,000	2,543,750
LPL Financial Holdings, Inc.	33,587	2,575,116
The Charles Schwab Corp.	63,000	2,282,490
Willis Towers Watson PLC	12,988	2,712,154
<b>Total Financials</b>		<u>16,201,540</u>
<b><i>Industrials (16.16%)</i></b>		
CH Robinson Worldwide, Inc.	23,000	2,350,370
FedEx Corp.	26,000	6,539,520
Paychex, Inc.	11,000	877,470
The Western Union Co.	118,000	2,528,740
<b>Total Industrials</b>		<u>12,296,100</u>
<b><i>Technology (12.86%)</i></b>		
CDK Global, Inc.	103,000	4,489,770
Change Healthcare, Inc. <sup>(a)</sup>	365,000	5,296,150
<b>Total Technology</b>		<u>9,785,920</u>
<b><i>Utilities (6.18%)</i></b>		
Stericycle, Inc. <sup>(a)</sup>	74,557	4,701,564
<b>TOTAL COMMON STOCK</b>		
<b>(Cost \$59,060,365)</b>		<u>65,386,254</u>

See Notes to Financial Statements.

September 30, 2020

	Value (Note 2)
<b>TOTAL INVESTMENTS (85.91%)</b> <b>(Cost \$59,060,365)</b>	<u>\$65,386,254</u>
<b>OTHER ASSETS IN EXCESS OF LIABILITIES (14.09%)</b>	10,724,764
<b>NET ASSETS (100.00%)</b>	<u><u>\$76,111,018</u></u>

<sup>(a)</sup> Non-income producing security.

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September 30, 2020

	Clarkston Partners Fund	Clarkston Fund	Clarkston Founders Fund
<b>ASSETS:</b>			
Investments, at value (Cost \$895,377,213, \$43,111,903 and \$59,060,365)	\$ 990,912,498	\$45,340,165	\$65,386,254
Cash and Cash Equivalents	137,514,812	3,074,680	8,871,008
Receivable for shares sold	2,590,129	17,352	1,855,960
Dividends and interest receivable	681,163	128,977	81,660
Other assets	35,445	6,983	4,717
Total Assets	<u>1,131,734,047</u>	<u>48,568,157</u>	<u>76,199,599</u>
<b>LIABILITIES:</b>			
Payable for administration and transfer agent fees	57,411	12,337	8,054
Payable for investments purchased	2,032,254	—	—
Payable for shares redeemed	163,415	25,020	—
Payable to adviser	695,932	14,637	32,951
Payable for shareholder service fees	171,345	14,334	20,178
Payable for printing fees	8,628	410	416
Payable for professional fees	62,976	17,562	18,458
Payable for trustees' fees and expenses	34,072	915	2,598
Payable for Chief Compliance Officer fees	3,175	139	196
Accrued expenses and other liabilities	37,117	4,082	5,730
Total Liabilities	<u>3,266,325</u>	<u>89,436</u>	<u>88,581</u>
<b>NET ASSETS</b>	<u>\$1,128,467,722</u>	<u>\$48,478,721</u>	<u>\$76,111,018</u>
<b>NET ASSETS CONSIST OF:</b>			
Paid-in capital (Note 5)	\$ 984,067,972	\$43,043,541	\$67,728,897
Total distributable earnings	144,399,750	5,435,180	8,382,121
<b>NET ASSETS</b>	<u>\$1,128,467,722</u>	<u>\$48,478,721</u>	<u>\$76,111,018</u>

**PRICING OF SHARES****Founders Class:**

Net Asset Value, offering and redemption price per share	\$ 12.61	N/A	N/A
Net Assets	\$ 553,691,091	N/A	N/A
Shares of beneficial interest outstanding	43,915,796	N/A	N/A

**Institutional Class:**

Net Asset Value, offering and redemption price per share	\$ 12.55	\$ 12.05	\$ 12.35
Net Assets	\$ 574,776,631	\$48,478,721	\$76,111,018
Shares of beneficial interest outstanding	45,809,050	4,021,974	6,164,892

See Notes to Financial Statements.

	Clarkston Partners Fund	Clarkston Fund	Clarkston Founders Fund
<b>INVESTMENT INCOME:</b>			
Dividends	\$16,390,332	\$1,098,003	\$ 914,663
Foreign taxes withheld	—	(5,071)	(10,577)
Total Investment Income	<u>16,390,332</u>	<u>1,092,932</u>	<u>904,086</u>
<b>EXPENSES:</b>			
Investment advisory fees (Note 6)	8,062,682	258,591	413,939
Administration fees	572,002	41,317	42,568
Shareholder service fees			
Institutional Class	520,618	42,136	59,871
Custody fees	88,928	7,129	6,619
Legal fees	81,975	3,864	4,693
Audit and tax fees	15,509	15,496	15,509
Transfer agent fees	67,308	27,595	27,449
Trustees fees and expenses	128,144	5,966	7,531
Registration and filing fees	70,918	25,247	24,800
Printing fees	38,085	1,940	1,777
Chief Compliance Officer fees	38,927	2,021	2,123
Insurance fees	41,215	2,299	1,949
Other expenses	14,519	8,752	3,726
Total Expenses	<u>9,740,830</u>	<u>442,353</u>	<u>612,554</u>
Less fees waived by investment adviser (Note 6)			
Founders Class	(312,179)	N/A	N/A
Institutional Class	<u>(333,794)</u>	<u>(110,696)</u>	<u>(110,059)</u>
Total fees waived by investment adviser (Note 6)	<u>(645,973)</u>	<u>(110,696)</u>	<u>(110,059)</u>
Net Expenses	<u>9,094,857</u>	<u>331,657</u>	<u>502,495</u>
<b>NET INVESTMENT INCOME</b>	<u>7,295,475</u>	<u>761,275</u>	<u>401,591</u>
<b>REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:</b>			
Net realized gain/(loss) on:			
Investments	<u>49,059,100</u>	<u>2,625,815</u>	<u>1,754,833</u>
Net realized gain	<u>49,059,100</u>	<u>2,625,815</u>	<u>1,754,833</u>
Change in unrealized appreciation/(depreciation) on:			
Investments	<u>(20,848,049)</u>	<u>(3,577,427)</u>	<u>3,398,109</u>
Net change	<u>(20,848,049)</u>	<u>(3,577,427)</u>	<u>3,398,109</u>
<b>NET REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS</b>	<u>28,211,051</u>	<u>(951,612)</u>	<u>5,152,942</u>
<b>NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>	<u>\$35,506,526</u>	<u>\$(190,337)</u>	<u>\$5,554,533</u>



	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019
<b>OPERATIONS:</b>		
Net investment income	\$ 7,295,475	\$ 9,525,523
Net realized gain on investments	49,059,100	29,592,638
Net change in unrealized depreciation on investments	(20,848,049)	(11,852,769)
Net increase in net assets resulting from operations	35,506,526	27,265,392
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Founders Class	(18,042,443)	(26,457,456)
Institutional Class	(19,314,644)	(24,254,843)
Total distributions	(37,357,087)	(50,712,299)
<b>BENEFICIAL SHARE TRANSACTIONS (Note 5):</b>		
Founders Class		
Shares sold	140,007,090	50,669,709
Dividends reinvested	560,589	831,516
Shares redeemed	(40,386,657)	(31,213,365)
Net increase from beneficial share transactions	100,181,022	20,287,860
Institutional Class		
Shares sold	179,388,104	143,599,610
Dividends reinvested	18,965,301	23,711,613
Shares redeemed	(101,219,238)	(106,287,492)
Net increase from beneficial share transactions	97,134,167	61,023,731
Net increase in net assets	195,464,628	57,864,684
<b>NET ASSETS:</b>		
Beginning of year	933,003,094	875,138,410
End of year	\$ 1,128,467,722	\$ 933,003,094

*See Notes to Financial Statements.*

	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019
<b>OPERATIONS:</b>		
Net investment income	\$ 761,275	\$ 782,476
Net realized gain on investments	2,625,815	2,146,659
Net change in unrealized appreciation/(depreciation) on investments	(3,577,427)	1,833,211
Net increase/(decrease) in net assets resulting from operations	(190,337)	4,762,346
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Institutional Class	(2,522,147)	(1,800,994)
Total distributions	(2,522,147)	(1,800,994)
<b>BENEFICIAL SHARE TRANSACTIONS (Note 5):</b>		
Institutional Class		
Shares sold	8,028,416	12,188,610
Dividends reinvested	2,514,242	1,794,252
Shares redeemed	(13,995,698)	(7,770,785)
Acquisition (Note 9)	—	13,797,848
Net increase/(decrease) from beneficial share transactions	(3,453,040)	20,009,925
Net increase/(decrease) in net assets	(6,165,524)	22,971,277
<b>NET ASSETS:</b>		
Beginning of year	54,644,245	31,672,968
End of year	\$ 48,478,721	\$ 54,644,245

*See Notes to Financial Statements.*

	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019
<b>OPERATIONS:</b>		
Net investment income	\$ 401,591	\$ 396,448
Net realized gain on investments	1,754,833	1,249,683
Net change in unrealized appreciation on investments	3,398,109	471,650
Net increase in net assets resulting from operations	5,554,533	2,117,781
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Institutional Class	(1,647,285)	(685,991)
Total distributions	(1,647,285)	(685,991)
<b>BENEFICIAL SHARE TRANSACTIONS (Note 5):</b>		
Institutional Class		
Shares sold	34,571,388	12,105,072
Dividends reinvested	1,647,285	685,991
Shares redeemed	(8,425,457)	(4,012,879)
Net increase from beneficial share transactions	27,793,216	8,778,184
Net increase in net assets	31,700,464	10,209,974
<b>NET ASSETS:</b>		
Beginning of year	44,410,554	34,200,580
End of year	\$ 76,111,018	\$ 44,410,554

*See Notes to Financial Statements.*

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**NET ASSET VALUE, BEGINNING OF PERIOD****INCOME/(LOSS) FROM OPERATIONS:**Net investment income<sup>(a)</sup>

Net realized and unrealized gain on investments

Total from investment operations

**LESS DISTRIBUTIONS:**

From net investment income

From net realized gains on investments

Total Distributions

**NET INCREASE/(DECREASE) IN NET ASSET VALUE****NET ASSET VALUE, END OF PERIOD****TOTAL RETURN<sup>(b)</sup>****SUPPLEMENTAL DATA:**

Net assets, end of period (in 000s)

**RATIOS TO AVERAGE NET ASSETS**

Operating expenses excluding reimbursement/waiver

Operating expenses including reimbursement/waiver

Net investment income including reimbursement/waiver

**PORTFOLIO TURNOVER RATE<sup>(d)</sup>**

For the Year Ended September 30, 2020	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018	For the Year Ended September 30, 2017	For the Year Ended September 30, 2016
\$ 12.81	\$ 13.29	\$ 12.39	\$ 11.11	\$ 9.70
0.10	0.14	0.08	0.05	0.06
0.21	0.17	0.99	1.37	1.37
0.31	0.31	1.07	1.42	1.43
(0.13)	(0.09)	(0.04)	(0.06)	(0.02)
(0.38)	(0.70)	(0.13)	(0.08)	–
(0.51)	(0.79)	(0.17)	(0.14)	(0.02)
(0.20)	(0.48)	0.90	1.28	1.41
\$ 12.61	\$ 12.81	\$ 13.29	\$ 12.39	\$ 11.11
2.18%	3.49%	8.70%	12.86%	14.73% <sup>(c)</sup>
\$ 553,691	\$ 451,294	\$ 445,516	\$ 397,474	\$ 308,607
0.91%	0.92%	0.94%	0.96%	1.02%
0.85%	0.85%	0.85%	0.85%	0.85%
0.77%	1.16%	0.60%	0.40%	0.62%
25%	10%	23%	13%	16%

<sup>(a)</sup> Calculated using the average shares method.

<sup>(b)</sup> Assumes an initial investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Total returns are for the period indicated and have not been annualized. Total returns would have been lower had certain expenses not been waived during the period. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

<sup>(c)</sup> In 2016, the Fund's total return consists of a voluntary/unvoluntary reimbursement by the adviser for a realized investment loss. Excluding this item, total return would not change as the impact is less than 0.005%.

<sup>(d)</sup> Portfolio turnover rate for periods less than one full year have not been annualized.

See Notes to Financial Statements.

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**NET ASSET VALUE, BEGINNING OF PERIOD****INCOME/(LOSS) FROM OPERATIONS:**Net investment income<sup>(a)</sup>

Net realized and unrealized gain on investments

Total from investment operations

**LESS DISTRIBUTIONS:**

From net investment income

From net realized gains on investments

Total Distributions

**NET INCREASE/(DECREASE) IN NET ASSET VALUE****NET ASSET VALUE, END OF PERIOD****TOTAL RETURN<sup>(b)</sup>****SUPPLEMENTAL DATA:**

Net assets, end of period (in 000s)

**RATIOS TO AVERAGE NET ASSETS**

Operating expenses excluding reimbursement/waiver

Operating expenses including reimbursement/waiver

Net investment income/(loss) including reimbursement/waiver

**PORTFOLIO TURNOVER RATE<sup>(e)</sup>**

For a Share Outstanding Throughout the Periods Presented

For the Year Ended September 30, 2020	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018	For the Year Ended September 30, 2017	For the Year Ended September 30, 2016
\$ 12.76	\$ 13.24	\$ 12.36	\$ 11.09	\$ 9.70
0.08	0.13	0.06	0.03	0.05
0.21	0.18	0.99	1.37	1.35
0.29	0.31	1.05	1.40	1.40
(0.12)	(0.09)	(0.04)	(0.05)	(0.01)
(0.38)	(0.70)	(0.13)	(0.08)	–
(0.50)	(0.79)	(0.17)	(0.13)	(0.01)
(0.21)	(0.48)	0.88	1.27	1.39
\$ 12.55	\$ 12.76	\$ 13.24	\$ 12.36	\$ 11.09
2.07%	3.45%	8.52%	12.75%	14.47% <sup>(c)</sup>
\$ 574,777	\$ 481,709	\$ 429,622	\$ 367,393	\$ 242,295
1.01%	1.03%	1.08%	1.09%	1.16%
0.95% <sup>(d)</sup>	0.96% <sup>(d)</sup>	0.98% <sup>(d)</sup>	0.98% <sup>(d)</sup>	1.00%
0.68%	1.04%	0.47%	0.27%	0.46%
25%	10%	23%	13%	16%

<sup>(a)</sup> Calculated using the average shares method.<sup>(b)</sup> Assumes an initial investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Total returns are for the period indicated and have not been annualized. Total returns would have been lower had certain expenses not been waived during the period. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.<sup>(c)</sup> In 2016, the Fund's total return consists of a voluntary/unvoluntary reimbursement by the adviser for a realized investment loss. Excluding this item, total return would not change as the impact is less than 0.005%.

See Notes to Financial Statements.

- (d) *According to the Fund's shareholder services plan with respect to the Fund's Institutional shares, any amount of fees accrued according to the plan but not paid during the Fund's fiscal year for such service activities shall be reimbursed to the Fund as soon as practical. Fees were reimbursed to the Fund for the years ended September 30, 2020, September 30, 2019, September 30, 2018 and September 30, 2017, respectively, in the amount of 0.05%, 0.04%, 0.02% and 0.02% of average net assets of Institutional shares.*
- (e) *Portfolio turnover rate for periods less than one full year have not been annualized.*



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**NET ASSET VALUE, BEGINNING OF PERIOD****INCOME/(LOSS) FROM OPERATIONS:**Net investment income<sup>(b)</sup>

Net realized and unrealized gain/(loss) on investments

Total from investment operations

**LESS DISTRIBUTIONS:**

From net investment income

From net realized gains on investments

Total Distributions

**NET INCREASE/(DECREASE) IN NET ASSET VALUE****NET ASSET VALUE, END OF PERIOD****TOTAL RETURN<sup>(d)</sup>****SUPPLEMENTAL DATA:**

Net assets, end of period (in 000s)

**RATIOS TO AVERAGE NET ASSETS**

Operating expenses excluding reimbursement/waiver

Operating expenses including reimbursement/waiver

Net investment income including reimbursement/waiver

**PORTFOLIO TURNOVER RATE<sup>(g)</sup>**

For a Share Outstanding Throughout the Periods Presented

For the Year Ended September 30, 2020	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018	For the Year Ended September 30, 2017	For the Period Ended September 30, 2016 <sup>(a)</sup>
\$ 12.50	\$ 11.99	\$ 11.46	\$ 10.52	\$ 10.00
0.17	0.22	0.19	0.16	0.08
(0.05)	0.94	0.49	0.90	0.44
0.12	1.16	0.68	1.06	0.52
(0.14)	(0.26)	(0.15)	(0.10)	–
(0.43)	(0.39)	(0.00) <sup>(c)</sup>	(0.02)	–
(0.57)	(0.65)	(0.15)	(0.12)	–
(0.45)	0.51	0.53	0.94	0.52
\$ 12.05	\$ 12.50	\$ 11.99	\$ 11.46	\$ 10.52
0.81%	10.92%	5.99%	10.13%	5.20%
\$ 48,479	\$ 54,644	\$ 31,673	\$ 29,407	\$ 20,173
0.86%	0.93%	0.93%	1.04%	1.48% <sup>(e)</sup>
0.64% <sup>(f)</sup>	0.67% <sup>(f)</sup>	0.65% <sup>(f)</sup>	0.65% <sup>(f)</sup>	0.70% <sup>(e)</sup>
1.47%	1.86%	1.60%	1.41%	1.36% <sup>(e)</sup>
31%	17%	11%	5%	0%

<sup>(a)</sup> Commenced operations on April 4, 2016.<sup>(b)</sup> Calculated using the average shares method.<sup>(c)</sup> Less than \$0.005 per share.<sup>(d)</sup> Assumes an initial investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Total returns are for the period indicated and have not been annualized. Total returns would have been lower had certain expenses not been waived during the period. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.<sup>(e)</sup> Annualized.

See Notes to Financial Statements.

- (f) *According to the Fund's shareholder services plan with respect to the Fund's Institutional shares, any amount of fees accrued according to the plan but not paid during the Fund's fiscal year for such service activities shall be reimbursed to the Fund as soon as practical. Fees were reimbursed to the Fund for the years ended September 30, 2020, September 30, 2019, September 30, 2018 and September 30, 2017, respectively, in the amount of 0.06%, 0.03%, 0.05% and 0.05% of average net assets of Institutional shares.*
- (g) *Portfolio turnover rate for periods less than one full year have not been annualized.*

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**NET ASSET VALUE, BEGINNING OF PERIOD****INCOME/(LOSS) FROM OPERATIONS:**Net investment income<sup>(b)</sup>

Net realized and unrealized gain on investments

Total from investment operations

**LESS DISTRIBUTIONS:**

From net investment income

From net realized gains on investments

Total Distributions

**NET INCREASE IN NET ASSET VALUE****NET ASSET VALUE, END OF PERIOD****TOTAL RETURN<sup>(c)</sup>****SUPPLEMENTAL DATA:**

Net assets, end of period (in 000s)

**RATIOS TO AVERAGE NET ASSETS**

Operating expenses excluding reimbursement/waiver

Operating expenses including reimbursement/waiver

Net investment income including reimbursement/waiver

**PORTFOLIO TURNOVER RATE<sup>(f)</sup>**

For a Share Outstanding Throughout the Periods Presented

For the Year Ended September 30, 2020	For the Year Ended September 30, 2019	For the Year Ended September 30, 2018	For the Period Ended September 30, 2017 <sup>(a)</sup>
\$ 11.67	\$ 11.34	\$ 10.64	\$ 10.00
0.08	0.12	0.07	0.02
1.00	0.44	0.67	0.62
1.08	0.56	0.74	0.64
(0.10)	(0.08)	(0.04)	–
(0.30)	(0.15)	–	–
(0.40)	(0.23)	(0.04)	–
0.68	0.33	0.70	0.64
\$ 12.35	\$ 11.67	\$ 11.34	\$ 10.64
9.34%	5.31%	7.01%	6.40%
\$ 76,111	\$ 44,411	\$ 34,201	\$ 24,147
1.11%	1.15%	1.22%	1.46% <sup>(d)</sup>
0.91% <sup>(e)</sup>	0.91% <sup>(e)</sup>	0.91% <sup>(e)</sup>	0.92% <sup>(d)(e)</sup>
0.73%	1.06%	0.59%	0.29% <sup>(d)</sup>
22%	15%	9%	4%

<sup>(a)</sup> Commenced operations on February 1, 2017.<sup>(b)</sup> Calculated using the average shares method.

<sup>(c)</sup> Assumes an initial investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Total returns are for the period indicated and have not been annualized. Total returns would have been lower had certain expenses not been waived during the period. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

See Notes to Financial Statements.

- (d) *Annualized.*
- (e) *According to the Fund's shareholder services plan with respect to the Fund's Institutional shares, any amount of fees accrued according to the plan but not paid during the Fund's fiscal year for such service activities shall be reimbursed to the Fund as soon as practical. Fees were reimbursed to the Fund for the years ended September 30, 2020, September 30, 2019, September 30, 2018, and September 30, 2017, respectively, in the amount of 0.04%, 0.04%, 0.04% and 0.03% of average net assets of Institutional shares.*
- (f) *Portfolio turnover rate for periods less than one full year have not been annualized.*



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## 1. ORGANIZATION

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ALPS Series Trust (the “Trust”), a Delaware statutory trust, is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trust consists of multiple separate portfolios or series. This annual report describes the Clarkston Partners Fund, the Clarkston Fund and the Clarkston Founders Fund (each, a “Fund” and collectively, the “Funds”). The Funds are non-diversified and each Fund’s investment objective is to achieve long-term capital appreciation. The Clarkston Partners Fund currently offers Founders Class shares and Institutional Class shares, and the Clarkston Fund and the Clarkston Founders Fund currently offer Institutional Class shares. Each share class of the Clarkston Partners Fund has identical rights to earnings, assets and voting privileges, except for class-specific expenses and exclusive rights to vote on matters affecting only individual classes. The Board of Trustees (the “Board”) may establish additional funds and classes of shares at any time in the future without shareholder approval.

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## 2. SIGNIFICANT ACCOUNTING POLICIES

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The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America for investment companies (“U.S. GAAP”). The Funds are considered investment companies under U.S. GAAP and follow the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board (“FASB”) *Accounting Standards Codification* Topic 946. The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Funds in preparation of their financial statements.

**Investment Valuation:** The Funds generally value their securities based on market prices determined at the close of regular trading on the New York Stock Exchange (“NYSE”), normally 4:00 p.m. Eastern Time, on each day the NYSE is open for trading.

Securities traded on a registered U.S. securities exchange (including exchange-traded derivatives other than futures and futures options) are valued based on the last sale price of the security reported on the principal exchange on which it is traded, prior to the time when the Funds’ assets are valued. In the case of equity securities not traded on an exchange, or if such closing prices are not otherwise available, the securities are valued at the mean of the most recent bid and ask prices on such day.

Redeemable securities issued by open-end registered investment companies are valued at the investment company’s applicable net asset value (“NAV”), with the exception of exchange-traded open-end investment companies, which are priced as equity securities. Money market funds, representing short-term investments, are valued at their NAV.

When such prices or quotations are not available, or when the Fair Value Committee appointed by the Board believes that they are unreliable, securities may be priced using fair value procedures approved by the Board.

**Fair Value Measurements:** The Funds disclose the classification of their fair value measurements following a three-tier hierarchy based on the inputs used to measure fair value. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available.

Various inputs are used in determining the value of the Funds' investments as of the end of the reporting period. When inputs used fall into different levels of the fair value hierarchy, the level in the hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The designated input levels are not necessarily an indication of the risk or liquidity associated with these investments. These inputs are categorized in the following hierarchy under applicable financial accounting standards:

Level 1 – Unadjusted quoted prices in active markets for identical investments, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;

Level 2 – Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly); and

Level 3 – Significant unobservable prices or inputs (including the Fund's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

The following is a summary of the inputs used to value the Funds' investments as of September 30, 2020:

### CLARKSTON PARTNERS FUND

Investments in Securities at Value	Level 1 - Unadjusted Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stock				
Consumer Discretionary	\$ 130,081,050	\$ –	\$ –	\$ 130,081,050
Consumer Staples	150,351,971	–	–	150,351,971
Financials	275,181,025	–	–	275,181,025
Industrials	183,381,835	–	–	183,381,835
Technology	156,950,900	–	–	156,950,900
Utilities	94,965,717	–	–	94,965,717
<b>Total</b>	<b>\$ 990,912,498</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 990,912,498</b>

**CLARKSTON FUND**

Investments in Securities at Value	Level 1 - Unadjusted Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stock				
Consumer Discretionary	\$ 3,553,880	\$ –	\$ –	\$ 3,553,880
Consumer Staples	13,125,704	–	–	13,125,704
Financials	8,503,571	–	–	8,503,571
Industrials	18,474,370	–	–	18,474,370
Technology	1,682,640	–	–	1,682,640
<b>Total</b>	<b>\$ 45,340,165</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 45,340,165</b>

**CLARKSTON FOUNDERS FUND**

Investments in Securities at Value	Level 1 - Unadjusted Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stock				
Consumer Discretionary	\$ 8,312,190	\$ –	\$ –	\$ 8,312,190
Consumer Staples	14,088,940	–	–	14,088,940
Financials	16,201,540	–	–	16,201,540
Industrials	12,296,100	–	–	12,296,100
Technology	9,785,920	–	–	9,785,920
Utilities	4,701,564	–	–	4,701,564
<b>Total</b>	<b>\$ 65,386,254</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 65,386,254</b>

There were no Level 3 securities held during the year.

**Cash & Cash Equivalents:** The Funds consider their investment in a Federal Deposit Insurance Corporation (“FDIC”) insured interest bearing account to be cash and cash equivalents. Cash and cash equivalents are valued at cost plus any accrued interest. The Funds maintain cash balances, which, at times may exceed federally insured limits. The Funds maintain these balances with a high quality financial institution.

**Concentration of Credit Risk:** Each Fund places its cash with a banking institution, which is insured by FDIC. The FDIC limit is \$250,000. At various times throughout the period, the amount on deposit may exceed the FDIC limit and subject a Fund to a credit risk. The Funds do not believe that such deposits are subject to any unusual risk associated with investment activities.

**Trust Expenses:** Some expenses of the Trust can be directly attributed to a fund. Expenses that cannot be directly attributed to a fund are apportioned among all funds in the Trust based on average net assets of each fund.

**Fund Expenses:** Some expenses can be directly attributed to a Fund and are apportioned among the classes based on average net assets of each class.

**Class Expenses:** Expenses that are specific to a class of shares are charged directly to that share class. Fees provided under the shareholder service plan for a particular class of a Fund are charged to the operations of such class.

**Federal Income Taxes:** The Funds comply with the requirements under Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and intend to distribute substantially all of their net taxable income and net capital gains, if any, each year so that they will not be subject to federal income or excise tax on undistributed income and gains. The Funds are not subject to income taxes to the extent such distributions are made.

As of and during the fiscal year ended September 30, 2020, the Funds did not have a liability for any unrecognized tax benefits in the accompanying financial statements. The Funds recognize interest and penalties, if any, related to tax liabilities as income tax expense in the Statements of Operations. The Funds file U.S. federal, state and local income tax returns as required. The Funds' tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return for federal purposes and four years for most state returns. The Funds' administrator has analyzed the Funds' tax positions taken on federal and state income tax returns for all open tax years and has concluded that as of September 30, 2020, no provision for income tax is required in the Funds' financial statements related to these tax positions.

**Investment Transactions and Investment Income:** Investment transactions are accounted for on the date the investments are purchased or sold (trade date basis for financial reporting purposes). Realized gains and losses from investment transactions are reported on an identified cost basis. Interest income, which includes accretion of discounts and amortization of premiums, is accrued and recorded as earned using the effective yield method. Dividend income is recognized on the ex-dividend date, or for certain foreign securities, as soon as information is available to a Fund. Withholding taxes on foreign dividends are paid (a portion of which may be reclaimable) or provided for in accordance with the applicable country's tax rules and rates and are disclosed in the Statements of Operations. All of the realized and unrealized gains and losses of a Fund and net investment income of a Fund are allocated daily to each class of the Fund in proportion to its average daily net assets.

**Distributions to Shareholders:** The Funds normally pay dividends, if any, and distribute capital gains, if any, on an annual basis. Income dividend distributions are derived from interest, dividends and other income the Funds receive from their investments, including short-term capital gains. Long-term capital gain distributions are derived from gains realized when a Fund sells a security it has owned for more than one year. A Fund may make additional distributions and dividends at other times if its portfolio manager or managers believe doing so may be necessary for the Fund to avoid or reduce taxes. Net investment income/(loss) and net realized gain/(loss) may differ for financial statement and tax purposes.

**COVID-19 Risk:** A recent outbreak of respiratory disease caused by a novel coronavirus was first detected in December 2019 and has now spread internationally. This coronavirus has resulted in closing borders, enhanced health screenings, health care service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general concern and uncertainty. The impact of this coronavirus, and other epidemics and pandemics that may arise in the future, could affect the economies of many nations, individual companies, their securities (including equity and debt), and the market in general in ways that cannot necessarily be foreseen at the present time. In addition, the impact of infectious diseases in developing or

emerging market countries may be greater due to less established health care systems. Health crises caused by the recent coronavirus outbreak may exacerbate other pre existing political, social and economic risks in certain countries. The impact of the outbreak may be short term or may last for an extended period of time.

### 3. TAX BASIS INFORMATION

**Tax Basis of Distributions to Shareholders:** The character of distributions made during the period from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or realized gain were recorded by the Funds. The amounts and characteristics of tax basis distributions and composition of distributable earnings/(accumulated losses) are finalized at fiscal year-end.

The tax character of distributions paid during the fiscal year ended September 30, 2020, were as follows:

	Ordinary Income	Long-Term Capital Gains
Clarkston Partners Fund	\$ 10,647,842	\$ 26,709,245
Clarkston Fund	633,816	1,888,331
Clarkston Founders Fund	397,565	1,249,720

The tax character of distributions paid during the fiscal year ended September 30, 2019, were as follows:

	Ordinary Income	Long-Term Capital Gains
Clarkston Partners Fund	\$ 5,951,971	\$ 44,760,328
Clarkston Fund	762,288	1,038,706
Clarkston Founders Fund	247,661	438,330

**Reclassifications:** As of September 30, 2020, permanent differences in book and tax accounting were reclassified. The following reclassifications, which had no impact on results of operations or net assets, were recorded to reflect tax character:

	Paid-in Capital	Total Distributable Earnings
Clarkston Partners Fund	\$ 4,907,758	\$ (4,907,758)

These differences are primarily attributable to equalization utilized.

**Unrealized Appreciation and Depreciation on Investments:** As of September 30, 2020, the aggregate costs of investments, gross unrealized appreciation/(depreciation) and net unrealized appreciation for Federal tax purposes were as follows:

	Clarkston Partners Fund	Clarkston Fund	Clarkston Founders Fund
Gross unrealized appreciation			
(excess of value over tax cost)	\$ 213,597,896	\$ 10,924,839	\$ 12,922,552
Gross unrealized depreciation			
(excess of tax cost over value)	(118,308,939)	(8,696,577)	(6,596,666)
Net unrealized appreciation	\$ 95,288,957	\$ 2,228,262	\$ 6,325,886
Cost of investments for income tax purposes	\$ 895,623,541	\$ 43,111,903	\$ 59,060,368

These differences are primarily attributed to wash sales.

**Components of Distributable Earnings:** As of September 30, 2020, components of distributable earnings were as follows:

	Clarkston Partners Fund	Clarkston Fund	Clarkston Founders Fund
Undistributed ordinary income	\$ 4,464,445	\$ 1,066,852	\$ 509,772
Accumulated capital gains	44,646,348	2,140,066	1,546,463
Net unrealized appreciation	95,288,957	2,228,262	6,325,886
Total	\$ 144,399,750	\$ 5,435,180	\$ 8,382,121

#### 4. SECURITIES TRANSACTIONS

Purchases and sales of securities, excluding short-term securities, during the fiscal year ended September 30, 2020 were as follows:

	Purchases of Securities	Proceeds from Sales of Securities
Clarkston Partners Fund	\$ 416,595,452	\$ 213,211,658
Clarkston Fund	14,568,294	16,845,078
Clarkston Founders Fund	37,982,048	10,120,804

## 5. BENEFICIAL SHARE TRANSACTIONS

The capitalization of the Trust consists of an unlimited number of shares of beneficial interest with no par value per share. Holders of the shares of the Funds have one vote for each share held and a proportionate fraction of a vote for each fractional share. All shares issued and outstanding are fully paid and are transferable and redeemable at the option of the shareholder. Shares have no pre-emptive rights. Neither the Funds nor any of their creditors have the right to require shareholders to pay any additional amounts solely because the shareholder owns the shares.

Transactions in common shares were as follows:

	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019
<b>Clarkston Partners Fund</b>		
<b>Founders Class</b>		
Shares sold	12,044,655	4,157,522
Shares issued in reinvestment of distributions to shareholders	42,309	77,350
Shares redeemed	(3,392,583)	(2,546,307)
Net increase in shares outstanding	<u>8,694,381</u>	<u>1,688,565</u>
<b>Institutional Class</b>		
Shares sold	15,338,237	11,873,807
Shares issued in reinvestment of distributions to shareholders	1,436,765	2,211,904
Shares redeemed	(8,714,703)	(8,775,921)
Net increase in shares outstanding	<u>8,060,299</u>	<u>5,309,790</u>
<b>Clarkston Fund</b>		
<b>Institutional Class</b>		
Shares sold	703,998	1,027,807
Shares issued in reinvestment of distributions to shareholders	201,623	171,825
Shares redeemed	(1,256,132)	(658,401)
Acquisition (Note 9)	—	1,189,405
Net increase/(decrease) in shares outstanding	<u>(350,511)</u>	<u>1,730,636</u>
<b>Clarkston Founders Fund</b>		
<b>Institutional Class</b>		
Shares sold	2,956,388	1,087,117
Shares issued in reinvestment of distributions to shareholders	137,503	70,430
Shares redeemed	(734,413)	(368,631)
Net increase in shares outstanding	<u>2,359,478</u>	<u>788,916</u>

Control is defined by the 1940 Act as the beneficial ownership, either directly or through one or more controlled companies, of more than 25% of the voting securities of a company. Approximately 47% of the outstanding shares of the Clarkston Partners Fund are held by one shareholder that owns shares on behalf of its underlying beneficial owners. Approximately 75% of the outstanding shares of the Clarkston Fund are owned by one omnibus account. Approximately 94% of the outstanding shares of the Clarkston Founders Fund are owned by two omnibus accounts. Share transaction activities of these shareholders could have a material impact on the Funds.

## 6. MANAGEMENT AND RELATED PARTY TRANSACTIONS

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**Investment Advisory:** Clarkston Capital Partners, LLC (“Clarkston” or the “Adviser”), subject to the authority of the Board, is responsible for the management of the Funds’ portfolios. The Adviser manages the investments of the Funds in accordance with the Funds’ investment objectives, policies and limitations and investment guidelines established jointly by the Adviser and the Board.

Pursuant to the Investment Advisory Agreement (the “Advisory Agreement”) with the Adviser, each Fund pays the Adviser an annual management fee that is based on each Fund’s average daily net assets. The management fee is paid on a monthly basis. The contractual management fee rates are 0.80%, 0.50% and 0.75% for the Clarkston Partners Fund, the Clarkston Fund and the Clarkston Founders Fund, respectively. The Board may extend the Advisory Agreement for additional one-year terms. The Board and shareholders of a Fund may terminate the Advisory Agreement upon 30 days’ written notice. The Adviser may terminate the Advisory Agreement upon 60 days’ notice.

Pursuant to a fee waiver letter agreement (the “Fee Waiver Agreement”), the Adviser has contractually agreed to limit the amount of each Fund’s Total Annual Fund Operating Expenses, exclusive of shareholder servicing fees, brokerage expenses, interest expenses, taxes, acquired fund fees and expenses and extraordinary expenses to an annual rate of 0.85% of the Clarkston Partners Fund’s average daily net assets for each of the Founders Class shares and the Institutional Class shares, 0.55% of the Clarkston Fund’s average daily net assets for the Institutional Class shares and 0.80% of the Clarkston Founders Fund’s average daily net assets for the Institutional Class shares. The Fee Waiver Agreement is in effect through January 31, 2021, and will thereafter continue in effect for successive twelve-month periods provided that such continuance is specifically approved at least annually by the Board and the Adviser does not provide at least 30 days written notice of noncontinuance prior to the end of the then effective term. The Adviser may not terminate the Fee Waiver Agreement without the approval of the Trust’s Board. The Adviser will be permitted to recover, on a class-by-class basis, expenses it has borne through the Fee Waiver Agreement only to the extent that the Fund’s expenses in later periods do not exceed the lesser of: (1) the contractual expense limit in effect at the time the Adviser waives or limits the expenses; or (2) the contractual expense limit in effect at the time the Adviser seeks to recover the expenses; provided, however, that the Funds will not be obligated to reimburse any such expenses borne by the Adviser more than three years after the date on which the fee or expense was waived or limited or assumed and paid by the Adviser, as calculated on a monthly basis.

For the fiscal year ended September 30, 2020, the fee waivers and/or reimbursements were \$312,179, \$333,794, \$110,696, and \$110,059 for the Clarkston Partners Fund Founders Class, Clarkston Partners Fund Institutional Class, Clarkston Fund Institutional Class, and Clarkston Founders Fund Institutional Class, respectively.



As of September 30, 2020, the balances of recoupable expenses for each Fund and class were as follows:

	Expiring in 2021	Expiring in 2022	Expiring in 2023
<b>Clarkston Partners Fund</b>			
Founders	\$ 399,992	\$ 303,538	\$ 312,179
Institutional	361,957	312,594	333,794
<b>Clarkston Fund</b>			
Institutional	84,677	108,159	110,696
<b>Clarkston Founders Fund</b>			
Institutional	95,166	90,772	110,059

**Administrator:** ALPS Fund Services, Inc. (“ALPS”) (an affiliate of ALPS Distributors, Inc.) serves as administrator to each Fund. The Funds have agreed to pay expenses incurred in connection with their administrative activities. Pursuant to the Administration, Bookkeeping and Pricing Services Agreement with the Trust, ALPS provides operational services to the Funds including, but not limited to, fund accounting and fund administration and generally assists in each Fund’s operations. Each Fund’s administration fee is accrued on a daily basis and paid monthly. The officers of the Trust are employees of ALPS. Administration fees paid by the Funds for the fiscal year ended September 30, 2020 are disclosed in the Statements of Operations. ALPS is reimbursed by the Funds for certain out-of-pocket expenses.

**Transfer Agent:** ALPS serves as transfer agent for each Fund under a Transfer Agency and Services Agreement with the Trust. Under this agreement, ALPS is paid an annual fee for services performed on behalf of the Funds plus fees for open accounts and is reimbursed for certain out-of-pocket expenses.

**Compliance Services:** ALPS provides Chief Compliance Officer services to each Fund to monitor and test the policies and procedures of each Fund in conjunction with requirements under Rule 38a-1 of the 1940 Act pursuant to a Chief Compliance Officer Services Agreement with the Trust. Under this agreement, ALPS is paid an annual fee for services performed on behalf of the Funds and is reimbursed for certain out-of-pocket expenses.

**Distribution:** ALPS Distributors, Inc. (the “Distributor”) (an affiliate of ALPS) acts as the principal underwriter of each Fund’s shares pursuant to a Distribution Agreement with the Trust. Shares of each Fund are offered on a continuous basis through the Distributor, as agent of the Funds. The Distributor is not obligated to sell any particular amount of shares and is not entitled to any compensation for its services as the Funds’ principal underwriter pursuant to the Distribution Agreement.

Each Fund has adopted a shareholder services plan (“Shareholder Services Plan”) for its Institutional Class. Under the Shareholder Services Plan each Fund is authorized to pay banks and their affiliates and other institutions, including broker-dealers and Fund affiliates (“Participating Organizations”), an aggregate fee in an amount not to exceed on an annual basis 0.15% of the average daily net asset value of each Fund’s Institutional Class shares to Participating Organizations as compensation for providing shareholder service activities, which do not include distribution services, pursuant to an agreement with a Participating Organization.

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## 7. TRUSTEES

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As of September 30, 2020, there were four Trustees, three of whom are not “interested persons” (as defined in the 1940 Act) of the Trust (the “Independent Trustees”). The Independent Trustees of the Trust and interested Trustees who are not currently employed by the Adviser, ALPS or other service providers will receive a quarterly retainer of \$11,000, plus \$4,000 for each regular Board or Committee meeting attended and \$2,000 for each special telephonic or in-person Board or Committee meeting attended. Additionally, the Audit Committee Chair receives a quarterly retainer of \$1,250 and the Independent Chair receives a quarterly retainer of \$2,500. The Independent Trustees and interested Trustees who are not currently employed by the Adviser, ALPS or other service providers are also reimbursed for all reasonable out-of-pocket expenses relating to attendance at meetings. Officers of the Trust receive no salary or fees from the Trust. As discussed in Note 6, the Fund pays ALPS an annual fee for compliance services.

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## 8. INDEMNIFICATIONS

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Under the Trust’s organizational documents, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust enters into contracts with service providers that may contain general indemnification clauses which may permit indemnification to the extent permissible under applicable law. The Trust’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred.

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## 9. FUND REORGANIZATION

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At a special meeting of shareholders held on March 13, 2019, the shareholders of Clarkston Select Fund (the “Acquired Fund”), a former series of the Trust, approved the reorganization, pursuant to an Agreement and Plan of Reorganization (the “Plan”), of the Acquired Fund into the Clarkston Fund (“Acquiring Fund”). For accounting and financial reporting purposes, the Acquiring Fund is the accounting survivor and as a result, the financial statements and financial highlights do not reflect the operations of the Acquired Fund. The Board of Trustees of the Trust had previously approved the Plan providing for the reorganization.

The purpose of the Reorganization was to combine two funds with substantially identical investment objectives and similar principal investment strategies and policies.

Following the completion of the reorganization at the close of business on March 15, 2019, and pursuant to the terms of the Plan, Institutional Class shareholders of the Clarkston Select Fund became shareholders of the Clarkston Fund and received Institutional Class shares, respectively, of the Clarkston Fund. The reorganization qualified as a tax-free “reorganization” under the Internal Revenue Code of 1986, as amended (the “Code”) for U.S. federal income tax purposes. The Acquired Fund’s securities were recorded at fair value, however, the cost basis of the investments received from the Clarkston Select Fund were carried forward to align ongoing reporting of the Clarkston Fund’s realized and unrealized gains and losses with amounts distributable for tax purposes.

As of the close of business on March 15, 2019, assets of the Acquired Fund were acquired by the Acquiring Fund in exchange for shares of the Acquiring Fund and the assumption by the Acquiring Fund of the liabilities of the Acquired Fund. On the Reorganization date, the Acquiring Fund and the Acquired Fund reported the following financial information:

Acquiring Fund	Shares Outstanding of Acquiring Fund	Net Assets of Acquiring Fund	Acquired Fund	Acquired Fund Shares Exchanged	Net Assets of Acquired Fund Exchanged
			Clarkston Select Fund		
Clarkston Fund	2,899,370	33,634,424		1,301,165	13,797,848

The investment portfolio value and unrealized appreciation/(depreciation) as of the Reorganization Date of the Acquired Fund was as follows:

Acquired Fund	Portfolio Value	Unrealized Appreciation of Acquired Fund
Clarkston Select Fund	\$ 12,640,986	\$ 621,303

Immediately following the Reorganization the net assets of the combined Acquiring Fund were \$47,432,272.

As a result of the Reorganization, 1,189,405 Shares were issued in the Acquiring Fund.

Assuming the Reorganization had been completed on October 1, 2018, the beginning of the annual reporting period of the Acquiring Fund, the Acquiring Fund's pro forma results of operations for the year ended September 30, 2019, are as follows:

#### Pro Forma (unaudited)

Net Investment Income	\$ 969,370
Net Realized and Unrealized Gain on Investments	4,185,040
Net Increase in Net Assets Resulting from Operations	\$ 5,154,410

Because the combined investment portfolios have been managed as a single integrated portfolio since the reorganization was completed, it is not practicable to separate the amounts of revenue and earnings of the Clarkston Select Fund that have been included in the Clarkston Fund's Statement of Operations since March 15, 2019. The Clarkston Select Fund had no capital loss carryforward.

## 10. SUBSEQUENT EVENTS

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Subsequent events after the date of the Statements of Assets and Liabilities have been evaluated through the date the financial statements were issued. Management has determined that there were no subsequent events to report through the issuance of these financial statements.

To the Shareholders of Clarkston Partners Fund, Clarkston Fund and Clarkston Founders Fund and Board of Trustees of ALPS Series Trust

### Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Clarkston Partners Fund, Clarkston Fund, and Clarkston Founders Fund (the “Funds”), each a series of ALPS Series Trust, as of September 30, 2020, and the related statements 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 four periods 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 each of the Funds as of September 30, 2020, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the four periods in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The Funds’ financial highlights for the years or periods ended September 30, 2016 were audited by other auditors whose report dated December 2, 2016, expressed an unqualified opinion on those financial highlights.

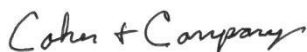
### Basis for Opinion

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ 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 Funds 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 included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2020, by correspondence with the custodian and broker. 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 Funds’ auditor since 2017.



COHEN & COMPANY, LTD.

Cleveland, Ohio

November 25, 2020

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## 1. PROXY VOTING POLICIES AND VOTING RECORD

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A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available without charge, upon request, (i) by calling the Funds (toll-free) at 1-844-680-6562 or (ii) on the website of the Securities and Exchange Commission (the “SEC”) at <http://www.sec.gov>.

Information regarding how each Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (i) without charge, upon request, by calling the Funds (toll-free) at 1-844-680-6562 or (ii) on the SEC’s website at <http://www.sec.gov>.

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## 2. PORTFOLIO HOLDINGS

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The Funds’ portfolio holdings are made available semi-annually in shareholder reports within 60 days after the close of the period for which the report is being made, as required by federal securities laws. Each Fund files its complete schedule of portfolio holdings with the SEC for the first and third fiscal quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Funds’ Form N-PORT reports are available on the SEC’s website at [www.sec.gov](http://www.sec.gov). The Funds’ portfolio holdings are also available at [www.clarkstonfunds.com](http://www.clarkstonfunds.com), or upon request, without charge, by calling (toll-free) 1-844-680-6562 or by writing to SS&C ALPS, c/o Clarkston Funds at 1290 Broadway, Suite 1000, Denver, Colorado 80203.

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## 3. TAX DESIGNATIONS

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### Qualified Dividend Income

The percentage of ordinary income dividends distributed during the calendar year ended December 31, 2019 are designated as qualified dividend income (QDI) as defined in Section 1(h)(11) of the Internal Revenue Code in the following percentages:

	Amount
Clarkston Partners Fund	100.00%
Clarkston Fund	100.00%
Clarkston Founders Fund	100.00%

**Dividends Received Deduction**

For corporate shareholders, the following ordinary dividends paid during the calendar year ended December 31, 2019 qualify for the corporate dividends received deduction:

	<b>Amount</b>
Clarkston Partners Fund	97.50%
Clarkston Fund	98.37%
Clarkston Founders Fund	100.00%

Pursuant to Section 852(b)(3) of the Internal Revenue Code the following Funds designate the amounts listed below as long-term capital gain dividends:

	<b>Amount</b>
Clarkston Partners Fund	\$26,708,689
Clarkston Fund	\$1,888,301
Clarkston Founders Fund	\$1,249,720

The amount above includes \$3,241 of earnings and profits distributed to shareholders on redemptions for the Clarkston Partners Fund.

The Trust has adopted and implemented a liquidity risk management program (the “Program”), as consistent with Rule 22e-4 to govern the Trust’s approach to managing liquidity risk for each Fund. The Program is overseen by the Liquidity Committee (the “Committee”), which is comprised of representatives of the Trust and ALPS. The Board has approved the designation of the Committee to oversee the Program.

The Program’s principal objectives include supporting each Fund’s compliance with limits on investments in illiquid assets and mitigating the risk that a Fund will be unable to meet its redemption obligations in a timely manner. The Program also includes a number of elements that support the management and assessment of liquidity risk, including an annual assessment of factors that influence a Fund’s liquidity and the periodic classification and re-classification of the Fund’s investments into groupings that reflect the Committee’s assessment of their relative liquidity under current market conditions.

At a meeting of the Board held on May 21, 2020, the Committee provided a report (the “Report”) to the Board addressing the operation, adequacy, and effectiveness of the Program, including any material changes to the Program for the period from April 1, 2019 through March 31, 2020 (“Reporting Period”). The Report concluded that the Trust’s Program was reasonably designed to assess and manage each Fund’s liquidity risk and was adequately and effectively implemented during the Reporting Period. There were no material changes to the Program during the Reporting Period. The Report further concluded that each Fund’s investment strategy continues to be appropriate given each Fund’s status as an open-end fund.

There can be no assurance that the Program will achieve its objectives in the future. Additional information regarding risks of investing in each Fund, including liquidity risks presented by the Trust’s investment portfolios, is found in the Trust’s Prospectus and Statement of Additional Information.



FACTS	WHAT DO THE FUNDS DO WITH YOUR PERSONAL INFORMATION?		
<b>WHY?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.		
<b>WHAT?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and account transactions</li> <li>• Account balances and transaction history</li> <li>• Wire transfer instructions</li> </ul>		
<b>HOW?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons a Fund chooses to share, and whether you can limit this sharing.		
REASONS WE CAN SHARE YOUR PERSONAL INFORMATION		DO THE FUNDS SHARE?	CAN YOU LIMIT THIS SHARING?
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
<b>For our marketing purposes –</b> to offer our products and services to you		No	We do not share.
<b>For joint marketing with other financial companies</b>		No	We do not share.
<b>For our affiliates' everyday business purposes –</b> information about your transactions and experiences		Yes	No
<b>For our affiliates' everyday business purposes –</b> information about your creditworthiness		No	We do not share.
<b>For non-affiliates to market to you</b>		No	We do not share.
<b>QUESTIONS?</b> Call 1-844-680-6562 or go to <a href="http://www.clarkstonfunds.com">www.clarkstonfunds.com</a>			

WHO WE ARE	
Who is providing this notice?	Clarkston Partners Fund, Clarkston Fund, and Clarkston Founders Fund (the "Funds")
WHAT WE DO	
How do the Funds protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How do the Funds collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• open an account</li> <li>• provide account information or give us your contact information</li> <li>• make a wire transfer or deposit money</li> </ul>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes-information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
DEFINITIONS	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>The Funds do not share with non-affiliates so they can market to you.</i></li> </ul>
Joint marketing	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>The Funds do not jointly market.</i></li> </ul>

OTHER IMPORTANT INFORMATION	
California Residents	If your account has a California home address, your personal information will not be disclosed to nonaffiliated third parties except as permitted by applicable California law, and we will limit sharing such personal information with our affiliates to comply with California privacy laws that apply to us.
Vermont Residents	The State of Vermont requires financial institutions to obtain your consent prior to sharing personal information that they collect about you with affiliated companies and nonaffiliated third parties other than in certain limited circumstances. Except as permitted by law, we will not share personal information we collect about you with nonaffiliated third parties or other affiliated companies unless you provide us with your written consent to share such information.

September 30, 2020 (Unaudited)

**INDEPENDENT TRUSTEES**

Name, Birth Year & Address*	Position(s) Held with Fund	Term of Office and Length of Time Served**	Principal Occupation(s) During Past 5 Years***	Number of Funds in Fund Complex Overseen by Trustee****	Other Directorships Held by Trustee During Past 5 Years***
<b>Ward D. Armstrong,</b> Birth year: 1954	Trustee and Chairman	Mr. Armstrong was appointed to the Board on May 27, 2016. Mr. Armstrong was appointed Chairman of the Board at the August 24, 2017 meeting of the Board of Trustees.	Mr. Armstrong is currently retired. From February 2010 to July 2015, he was Co-Founder and Managing Partner of NorthRock Partners, a private wealth advisory firm providing comprehensive wealth management and family office services to the high net-worth marketplace. Previously, he was Senior Vice President, Ameriprise Financial (September 2005 to May 2007); Chairman of Ameriprise Trust Company (2005 – 2007) and President, American Express Institutional Asset Management (1984 – 2002). He has also served on several investment related Boards including Kenwood Capital Management, RiverSource Investments, American Express Asset Management International and was Chair of the Ordway Theatre Endowment Committee.	9	Mr. Armstrong is a Director of the Heartland Group, Inc. (3 funds).

\* All communications to Trustees and Officers may be directed to ALPS Series Trust c/o 1290 Broadway, Suite 1000, Denver, CO 80203.

\*\* This is the period for which the Trustee or Officer began serving the Trust. Each Trustee serves an indefinite term, until such Trustee's successor is elected and appointed, or such Trustee resigns or is deceased. Officers are elected on an annual basis.

\*\*\* Except as otherwise indicated, each individual has held the office shown or other offices in the same company for the last five years.

\*\*\*\* The Fund Complex currently consists of 9 series of the Trust.

September 30, 2020 (Unaudited)

Name, Birth Year & Address*	Position(s) Held with Fund	Term of Office and Length of Time Served**	Principal Occupation(s) During Past 5 Years***	Number of Funds in Fund Complex Overseen by Trustee****	Other Directorships Held by Trustee During Past 5 Years***
J. Wayne Hutchens, Birth year: 1944	Trustee	Mr. Hutchens was elected to the Board on October 30, 2012.	Mr. Hutchens is currently retired. From 2000 to January 2020, he served as Trustee of the Denver Museum of Nature and Science and from May 2012 to February 2020, he was a Trustee of Children's Hospital Colorado. From April 2006 to December 2012, he served as President and CEO of the University of Colorado (CU) Foundation and from April 2009 to December 2012, he was Executive Director of the CU Real Estate Foundation. Mr. Hutchens is also Director of AMG National Trust Bank (June 2012 to present). Prior to these positions, Mr. Hutchens spent 29 years in the banking industry, retiring as Chairman of Chase Bank Colorado.	9	Mr. Hutchens is a Director of RiverNorth Opportunities Fund, Inc. (2013 to present), RiverNorth Opportunistic Municipal Income Fund, Inc. (2018 to present), RiverNorth/Doubleline Strategic Opportunity Fund, Inc. (2018 to present), RiverNorth Specialty Finance Corporation (2018 to present), RiverNorth Managed Duration Municipal Income Fund, Inc. (2019 to present), RiverNorth Flexible Municipal Income Fund, Inc. (2020 to present). He is an Advisory Board member of RiverNorth Funds (3 funds) (2020 to present).

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\*\*\*\* The Fund Complex currently consists of 9 series of the Trust.

September 30, 2020 (Unaudited)

Name, Birth Year & Address*	Position(s) Held with Fund	Term of Office and Length of Time Served**	Principal Occupation(s) During Past 5 Years***	Number of Funds in Fund Complex Overseen by Trustee****	Other Directorships Held by Trustee During Past 5 Years***
<b>Patrick Seese,</b> Birth year: 1971	Trustee	Mr. Seese was elected to the Board on October 30, 2012.	Mr. Seese is an owner and a Managing Director of Integrus Partners, a middle-market investment banking firm serving closely-held companies, financial sponsors and public companies (February 2008 to present). Prior to this, Mr. Seese was a Managing Director of Headwaters MB, a middle-market investing banking firm (December 2003 to February 2008). Prior to that, Mr. Seese worked in Credit Suisse First Boston's Mergers and Acquisitions Group and served as Head of Corporation Development, Katy Industries, a publicly traded industrial and consumer products company and at Deloitte & Touche LLP, where he began his career in 1994.	9	Mr. Seese is a Director of The Mile High Five Foundation (2013 to present) and SJ Panthers Foundation (2016 to present).

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\*\*\* Except as otherwise indicated, each individual has held the office shown or other offices in the same company for the last five years.

\*\*\*\* The Fund Complex currently consists of 9 series of the Trust.

September 30, 2020 (Unaudited)

**INTERESTED TRUSTEE**

Name, Birth Year & Address*	Position(s) Held with Fund	Term of Office and Length of Time Served**	Principal Occupation(s) During Past 5 Years***	Number of Funds in Fund Complex Overseen by Trustee****	Other Directorships Held by Trustee During Past 5 Years***
<b>Jeremy O. May,</b> Birth year: 1970	Trustee	Mr. May was elected Trustee on October 30, 2012. Mr. May was President from October 30, 2012 to May 23, 2019. Mr. May was Chairman from October 30, 2012 to August 24, 2017.	Mr. May previously served as President and Director of ALPS Fund Services, Inc., ALPS Distributors, Inc., and ALPS Portfolio Solutions Distributor, Inc., Executive Vice President and Director of ALPS Holdings, Inc. and ALPS Advisors, Inc., working at ALPS from June 1995 until June 2019. Because of his positions with these entities, Mr. May is deemed an affiliate of the Trust as defined under the 1940 Act. Mr. May is also on the Board of Directors of the University of Colorado Foundation and the AV Hunter Trust.	9	Mr. May is Trustee of the Reaves Utility Income Fund (1 fund).

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\*\*\* Except as otherwise indicated, each individual has held the office shown or other offices in the same company for the last five years.

\*\*\*\* The Fund Complex currently consists of 9 series of the Trust.

September 30, 2020 (Unaudited)

**OFFICERS**

<b>Name, Birth Year &amp; Address*</b>	<b>Position(s) Held with Fund</b>	<b>Term of Office and Length of Time Served**</b>	<b>Principal Occupation(s) During Past 5 Years***</b>
<b>Bradley Swenson</b> Birth year: 1972	President	Since May 2019	Mr. Swenson joined ALPS Fund Services, Inc. ("ALPS") in 2004 and has served as its President since June 2019. In this role, he serves as an officer to certain other closed-end and open-end investment companies. He previously served as the Chief Operating Officer of ALPS (2015-2019). Mr. Swenson also previously served as Chief Compliance Officer to ALPS, its affiliated entities, and to certain ETF, closed-end and open-end investment companies (2004-2015).
<b>Erich Rettinger</b> Birth year: 1985	Treasurer	Since August 2020	Mr. Rettinger joined ALPS in 2007 and is currently Vice President and Fund Controller of ALPS. He has served as Fund Controller, ALPS Fund Services, Inc. (since 2013) and Fund Accounting, ALPS Fund Services, Inc. (2013-2017). Mr. Rettinger is also Assistant Treasurer of the Stone Harbor Investment Funds, the Stone Harbor Emerging Markets Income Fund and the Stone Harbor Emerging Markets Total Income Fund.
<b>Vilma DeVooght</b> Birth year: 1977	Secretary	Since May 2020	Ms. DeVooght has served as Senior Counsel of ALPS since 2014 and previously served as Associate Counsel of First Data Corporation from 2012 to 2014 and Legal Counsel of Invesco 2009 to 2011. Ms. DeVooght also serves as Assistant Secretary of the Stone Harbor Investment Funds, the Stone Harbor Emerging Markets Income Fund and the Stone Harbor Emerging Markets Total Income Fund (since 2015).
<b>Anne M. Berg</b> Birth year: 1973	Assistant Treasurer	Since August 2018	Ms. Berg joined ALPS as Senior Investment Company Act Paralegal in February 2017. Prior to joining ALPS, she was a Senior Legal Manager at Janus Capital Management LLC (2000-2017).
<b>Lucas D. Foss</b> Birth year: 1977	Chief Compliance Officer	Since January 2018	Mr. Foss rejoined ALPS in November 2017 as Vice President and Deputy Chief Compliance Officer. Prior to his current role, Mr. Foss served as the Director of Compliance at Transamerica Asset Management (2015- 2017) and Deputy Chief Compliance Officer at ALPS (2012- 2015). Mr. Foss is also CCO of X-Square Balanced Fund, Goehring & Rozencwajg Investment Funds, Broadstone Real Estate Access Fund, Inc., Clough Global Funds; Clough Funds Trust; SPDR® S&P 500® ETF Trust, SPDR® Dow Jones® Industrial Average ETF Trust, SPDR® S&P MIDCAP 400® ETF Trust and 1WS Credit Income Fund.



September 30, 2020 (Unaudited)

- \* *All communications to Trustees and Officers may be directed to ALPS Series Trust c/o 1290 Broadway, Suite 1000, Denver, CO 80203.*
- \*\* *This is the period for which the Trustee or Officer began serving the Trust. Each Trustee serves an indefinite term, until such Trustee's successor is elected and appointed, or such Trustee resigns or is deceased. Officers are elected on an annual basis.*
- \*\*\* *Except as otherwise indicated, each individual has held the office shown or other offices in the same company for the last five years.*
- \*\*\*\* *The Fund Complex currently consists of 9 series of the Trust.*

*Additional information about members of the Board of Trustees and officers of the Trust is available in the Statement of Additional Information and is available, without charge, upon request, by calling the Fund (toll-free) at 1-844-680-6562.*







# CLARKSTON FUNDS

This material must be preceded or accompanied by a prospectus.  
The Clarkston Funds are distributed by ALPS Distributors, Inc.  
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