

CAPITAL ADVISORS GROWTH FUND



Annual Report

December 31, 2020

CAPITAL ADVISORS GROWTH FUND

January 22, 2021

Dear Shareholder,

The Capital Advisors Growth Fund (the “Fund”) advanced 23.56% in the final six months of 2020, compared to a gain of 22.16% for the Fund’s benchmark, the S&P 500® Total Return Index.

The following data summarizes the Fund’s annualized performance over various holding periods ending December 31, 2020, in comparison to the Fund’s relevant benchmarks:

Periods Ending December 31, 2020

	<u>Fund</u>	<u>S&P 500® Total Return Index</u>
6-Months (not annualized)	23.56%	22.16%
12-Months	29.03%	18.40%
3-Years	18.31%	14.18%
5-Years	15.87%	15.22%
10-Years	12.88%	13.88%
Inception (12/31/1999)	5.19%	6.61%

Net Expense Ratio: 1.03%* Gross Expense Ratio 1.20% (as of the Fund’s most recently filed Prospectus)

* Capital Advisors, Inc. (“Capital Advisors”), the Fund’s investment advisor, has contractually agreed to waive a portion or all of its management fees and/or pay Fund expenses, through at least April 29, 2021, to ensure that the Total Annual Fund Operating Expenses (excluding acquired fund fees and expenses, taxes, interest and extraordinary expenses) do not exceed 1.00% of average daily net assets of the Fund. The net expense ratio represents the percentage paid by investors.

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling 1-866-205-0523.

The Fund imposes a 2.00% redemption fee if shares are redeemed within 7 days of purchase. Performance data does not reflect the redemption fee. If it had, returns would be reduced.

PERFORMANCE ATTRIBUTION

The stocks that contributed most positively to the Fund’s return during the second half of the year span multiple industries, reflecting the balance we have deliberately pursued in the design of the portfolio. The top-five stocks during the period were **Apple, Inc.** (AAPL: \$136) **CRISPR Therapeutics AG, Inc.**

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(CRSP: \$153), **Blackrock, Inc.** (BLK: \$742), **NXP Semiconductors N.V.** (NXPI: \$174), and **Thermo Fisher Scientific, Inc.** (TMO: \$517). These companies lead important trends in mobile communications, genetic medicine, financial services, electric/autonomous vehicles and medical diagnostics.

The under-performers during the second half had equally diverse catalysts for their relative returns, including consolidation of gains following recent outperformance – **Kroger Co.** (KR: \$32) and **Teladoc Health, Inc.** (TDOC: \$243); company-specific execution – **Ingredion, Inc.** (INGR: \$78); rising interest rates – **Rocket Companies, Inc.** (RKT: \$20); and geopolitical challenges in the case of **Alibaba Group Holding Ltd.** (BABA: \$260). The position in Ingredion was eliminated during the period.

OUTLOOK

- The recent valuation level for stocks *and* bonds looks stretched by historical standards, but the magnitude of fiscal and monetary stimulus supporting these markets is also historic.
- Asset prices are also supported by historically low interest rates, along with guidance from the Federal Reserve (the Fed) to expect short-term interest rates to stay near zero until 2023.¹
- Against this backdrop of massive fiscal and monetary stimulus, the most important secular themes that drive long-term asset prices are global in nature, and likely to endure beyond COVID and the cycles of domestic politics.
- We still see opportunity in the asset markets, but we also recognize the importance of risk management during this period of disruption from COVID and political transition.
- If our outlook turns out to be too rosy, we suspect the culprit will be either a setback on the path to herd immunity, or a negative surprise on inflation.
- We are tracking both risk factors carefully, and we stand ready to adjust as needed if the outlook changes.

INVESTMENT PHILOSOPHY

At the core of our strategy is the belief that the global economy is undergoing significant evolution, changing the way people communicate, transact, and interact with the economic system. The stakeholders involved in corporate value measurement have widened. While the types of information that count as material to value creation is evolving rapidly, and how we assess that information is adapting, the basic core of finance remains solidly in place. Innovation remains the heart of value creation. Good management teams remain the heart of shareholder wealth generation.

¹ Source: Federal Open Market Committee (FOMC) press release dated September 16, 2020.

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CURRENT PORTFOLIO DESIGN

Risk and Opportunity are at the center of every investment strategy, but these have special importance as we enter 2021. With asset valuations near record highs (across asset classes), active risk management has perhaps never been so important. We believe the global economy is undergoing significant change and remain focused on companies that can help shape key opportunities within that evolution.

The recipe for a 15% annualized *S&P 500* return over the last five years – and nearly 14% through the past 10 years² – has included low interest rates, supportive global central banks, and gradual economic growth (only gradual). Those ingredients remain in the market’s kitchen as we enter 2021. With record global market liquidity providing the base for each, we are keenly aware markets can change quickly.

Risk management and portfolio “balance” do not have to mean sacrificing returns – they require focusing on the right mix of ingredients, or value drivers. In 2020 the Fund achieved a generous return while experiencing lower volatility than the overall stock market.³ This was accomplished through multi-layered risk management.

We are focusing on a diversified set of leaders of what we believe to be some of the global economy’s most attractive value-creation trends. We put the holdings together in a way that we believe prudently manages risk and helps optimize the likely reward profile.

Before illustrating how we are doing that, it is helpful to explain how we use cash very deliberately as “risk management” and “risk capital.” In the “risk management” function, cash helps to balance risk elsewhere in the portfolio according to the market scenarios we foresee. In 2020, this approach contributed to lower volatility for the strategy, while allowing us to target higher potential reward opportunities like tele-health and gene editing.

In the “risk capital” function we can use cash to pursue opportunities during times of market volatility without having to sell other great companies at depressed prices. During the heights of the economic shutdown for instance, we bought **NVIDIA Corp. (NVDA: ~\$519)**, a leader in cloud-based artificial intelligence (such as speech recognition) and high-end computer graphics. We also increased positions in selected established holdings such as **Amazon.com, Inc. (AMZN: ~\$3,250)**, **PayPal Holdings, Inc. (PYPL: ~\$232)**, a

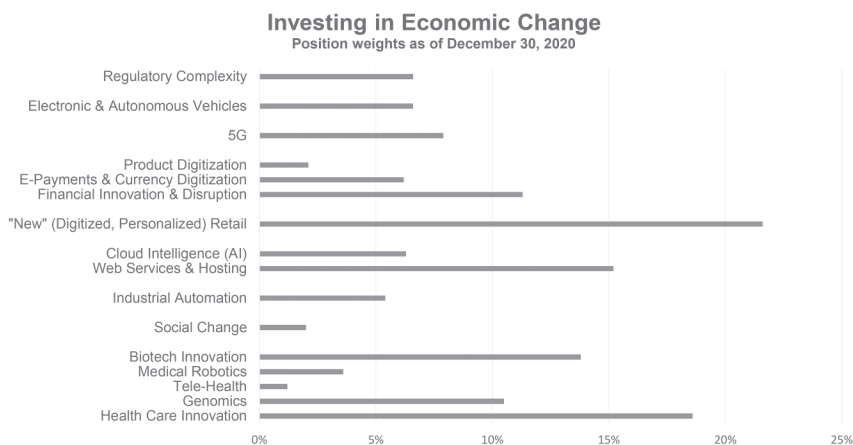
² Source: Bloomberg; Standard & Poor’s; Trailing returns as of December 31, 2020

³ Source: Bloomberg; A representative account in the *Managed Equity Growth* strategy delivered a 12-month Beta of 0.9 versus the S&P 500 Index. Beta is a commonly used measure of a securities volatility versus the overall stock market. A beta below 1.0 indicated the security was less volatile than the S&P 500 Index during the past year.

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leader in the global trend towards secure electronic payments, and **Thermo Fisher Scientific, Inc. (TMO: ~\$462)**, a cutting-edge innovator in healthcare equipment. More recently, cash's dual role enabled us to take a small position in **Lemonade, Inc. (LMND: ~\$132)**, an early-stage, online insurance company that is targeting substantial change in global social demographics.

As a percentage of the total strategy, cash reached its 2020 high early in the year (before the economic shutdown), and cash is currently near a low, although we are looking to gradually increase it. The following illustration shows the Fund's holdings in companies we believe lead important tech-enabled market opportunities such as wearable technologies and artificial intelligence.



Source: Orion; Bloomberg

In addition to the above mega-trends, we have identified leaders in more traditional markets that are undergoing significant change. Such holdings include **Honeywell International, Inc. (HON: ~\$211)**, **Kroger Co. (KR: ~\$32)**, **JPMorgan Chase & Co. (JPM: ~\$126)**, **UnitedHealth Group, Inc. (UNH: ~\$347)** and **Waste Management, Inc. (WM: ~\$117)**, among several others. This broad category accounts for approximately a quarter of the Fund's current investments. The Fund is underweight "FANG" stocks, meaning it contains less of Facebook, Amazon, Netflix, and Alphabet than the *S&P 500 Index*,⁴ choosing instead to spread exposure more broadly through the opportunities illustrated above.

The "factor" approach highlighted above helps to diversify risk beyond traditional labels such as industry, or company size. We believe it also helps solidify the investment discipline.

⁴ Source: Standard & Poor's

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FUND HOLDINGS

The ten largest holdings in the Fund as of December 31, 2020 were as follows:

<u>Security</u>	<u>No. Shares</u>	<u>Cost/Share</u>	<u>Market/Share</u>	<u>Portfolio %</u>
Apple, Inc.	32,040	23.84	132.69	4.8
Microsoft Corp.	18,775	75.13	222.42	4.7
Amazon.com, Inc.	1,255	591.00	3,256.93	4.6
Alphabet, Inc.	2,285	619.49	1,751.88	4.5
Danaher Corp.	16,478	115.62	222.14	4.1
Thermo Fisher Scientific, Inc.	7,408	275.43	465.78	3.9
NXP Semiconductors N.V.	20,284	114.30	159.01	3.6
PayPal Holdings, Inc.	13,035	96.20	234.20	3.4
Waste Management, Inc.	25,450	110.91	117.93	3.4
Procter & Gamble Co.	20,038	79.02	139.14	3.1

Of the 34 positions held in the Fund as of December 31, 2020, the 10 largest holdings represented 40.1% of total assets. The Fund held 8.9% of its assets in interest bearing cash reserves as of December 31, 2020.

RECENT ADDITIONS TO THE FUND

Recent new additions to the Fund's portfolio include **Lemonade, Inc.** (LMND: \$132), **General Motors Co.** (GM: \$55) and **International, Inc.** (HON: \$206).

Lemonade, Inc.

While the global economy is transforming at a significant pace, the insurance industry has changed little in the past decades, or even centuries – and might be ripe for disruption, in our view. We believe Lemonade, Inc. has several potential advantages that could power sustained, long-term market share gains in a market that is roughly \$1 trillion in size in the U.S. alone.⁵

Lemonade, Inc.'s primary operations are cloud-based. The company is developing sophisticated algorithms to evaluate risk, satisfy claims and sell new policies. Over time we believe this approach can enable Lemonade, Inc. to sell new policies at low cost and relatively low risk. For example, Lemonade, Inc. uses extensive real-time data feeds to enable its system to automatically cease sales in areas that might come under wildfire threat...then automatically start selling again when the threat subsides.

⁵ Source: Statistica 2020

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The company presently focuses on selling renter's insurance to a younger demographic that is comfortable with web services and engages in online social networks and peer-influenced advertising. As customers progress through typical life cycles – from single renter to family-oriented homeowner – we believe Lemonade can expand its number of customer base and revenue per customer.

As the company gains more data and knowledge, we believe it could expand into new product and geographic markets. For instance, management recently expanded into pet insurance, and into France. We believe Lemonade, Inc.'s technology-based model could fit very well with automobile's in a 5G world where "connected vehicles" can automatically feed data to insurers, enabling significant policy customization.

We consider Lemonade, Inc. to be an "Emerging Franchise": a company in a relatively early stage of development that we believe could pioneer a large market opportunity. As with other companies in this category, such as **CRISPR Therapeutics AG** (CRSP ~\$153) and **Teladoc Health, Inc.** (TDOC ~\$195), we are managing risk by taking a relatively small initial position. This enables flexibility to either increase the Lemonade position in the future, or add a new company to the Emerging Franchise category, while maintaining balance for risk management.

General Motors Co.

We believe General Motors Co. has created a right to win for itself in the future of transportation – both electronic and autonomous. General Motors Co. has also rightsized the cost structure and strategic focus of its legacy automotive business, such that the company can remain profitable throughout the economic cycle, including last year when auto sales temporarily collapsed due to the COVID pandemic. We believe this combination offers a compelling risk-reward tradeoff for the stock, whereby downside potential seems limited by the profitability of the core business, while upside potential could be substantial if General Motors Co. can translate its early progress in electronic (EV) and autonomous vehicles (AV) into a future leadership position.

We believe material upside potential in the stock price is possible over the next 3-5 years because:

- The structural improvement in General Motors Co.'s legacy business – now validated by its resilient performance during COVID – justifies a higher valuation multiple for the core truck/SUV/auto business, in our view.
- General Motors Co. operates a sizable financial subsidiary and profitable automotive joint venture in China.

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- General Motors Co. also owns approximately 75% of *Cruise Automation*,⁶ a global leader in the development of autonomous vehicle technology. Based on the value of *Cruise* implied by its latest private funding round, this division is worth more than \$14 per General Motors Co. share today⁷.
- In electric vehicles, General Motors Co. recently unveiled the first of its next-generation of EVs under the *Hummer* brand. This “super truck” will be followed by a steady cadence of 14 EV models across five brands scheduled for launch over the next five years.

We believe General Motors Co. is ahead of its legacy peers in the transition to EVs and AVs. Moreover, we believe General Motors Co. can more than hold its own against upstart competitors like Tesla, Inc. (TSLA: ~\$421) due to advantages like deep experience in complex engineering and manufacturing, and an extensive network of distribution and service infrastructure. We believe General Motors Co.’s advantages more than offset disadvantages like a unionized work force. For investors, we believe General Motors Co. is much further along in its transition to the future of transportation than its recent stock price reflects.

Honeywell International, Inc.

We view Honeywell International, Inc. as a very well-managed company with an attractive balance sheet and valuable business lines. Since the economic shutdown last spring, HON shares had recovered far less than many others that fit the above description at the time of our purchase for the Fund, largely due to the company’s business units in the aerospace and energy industries.

Honeywell International, Inc.’s Aerospace unit (approximately one-third of sales) includes engine parts and flight management systems that are very hard to replace once designed into the aircraft. The unit also includes an attractive spaceflight business, where Honeywell works closely with the government, who pays for much of the research & development expense.

Honeywell International, Inc.’s Materials segment includes high-value substances that help energy companies operate at lower carbon pollution levels, for example. A relatively new product, *Solstice*, has key advantages over aerosols, which include emitting a fraction of the hydrofluorocarbon pollution. *Solstice* is (at the time of position initiation) the only U.S. EPA-approved product for flushing (cleaning) heating, air conditioning and refrigeration equipment.⁸ Honeywell International, Inc. is also a leader in air filtration and protective gear, where the Safety division accounts for nearly 20% of total sales.⁹

⁶ Source: Company filings

⁷ Source: Company filings

⁸ Source: Morningstar

⁹ Source: Company information, Bloomberg

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Connected software, renewable technologies, and next generation (quantum) computing highlight the company's most attractive emerging business lines.¹⁰ Honeywell International, Inc.'s *Intelligrated* software helps automate warehouses to more efficiently fulfill online orders, for example. With the accelerated post-COVID shift towards online commerce, the efficient operation of warehouses is a key capability.

Honeywell International, Inc.'s renewable technologies include high-capacity batteries that smooth the power distribution from intermittent wind and solar sources. In quantum computing, Honeywell International, Inc. announced a breakthrough in March. One example of a quantum computing application, "is calculating the best path for robots in a distribution center to improve the speed of selecting items and packing orders."^{11,12}

As always, we appreciate the trust you have placed with the Capital Advisors Growth Fund.



Keith C. Goddard, CFA
Chief Investment Officer
Capital Advisors Growth Fund
CEO, Capital Advisors, Inc.



Steven V. Soranno, CFA, CAIA
Co-Portfolio Manager
Capital Advisors Growth Fund
Director of Equity Research,
Capital Advisors, Inc.

¹⁰ JP Morgan, "News Flow Update; More Than Just the End Markets," July 7, 2020

¹¹ Honeywell, "The World's Highest Performing Quantum Computer is Here", June 2020 **Quantum Computing explained** from this Honeywell article: Traditional computing bits are in a state of either "0" or "1." Quantum bits, called qubits, can be in both states at the same time. "That means...you get an exponential expansion in the number of values that can all be considered at the same time."

¹² Source: Bloomberg; A representative account in the *Managed Equity Growth* strategy delivered a 12-month Beta of 0.9 versus the S&P 500 Index.

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Investment performance reflects voluntary fee waivers in effect. In the absence of such waivers, total return would be reduced.

Opinions expressed are those of Keith C. Goddard and Steven V. Soranno, and are subject to change, are not guaranteed, and should not be considered investment advice.

The S&P 500® Index is an unmanaged, capitalization-weighted index of 500 stocks designed to represent the broad domestic economy.

Fund holdings and/or sector weightings are subject to change and should not be considered a recommendation to buy or sell a security. Please refer to the schedule of investments for more complete holding information.

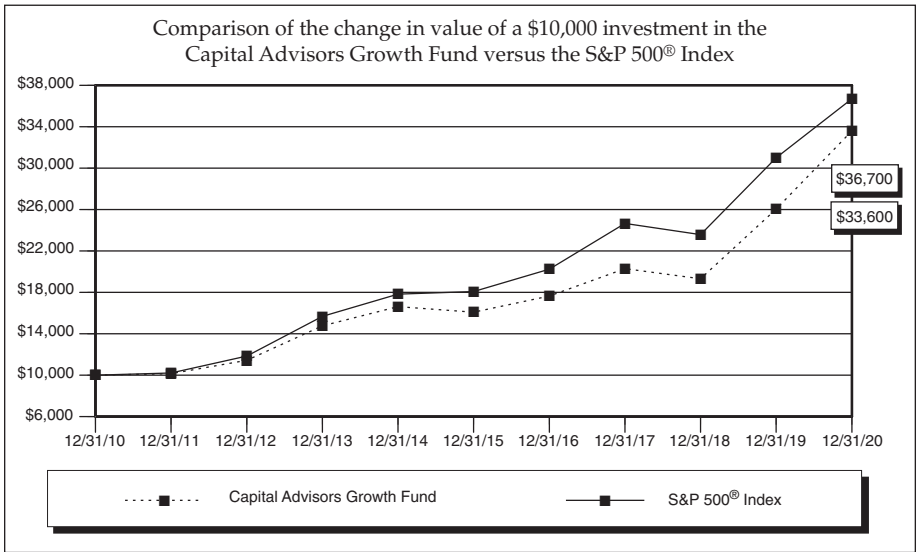
Mutual fund investing involves risk. Principal loss is possible. Growth stocks typically are more volatile than value stocks. The Fund invests in foreign securities which involve political, economic and currency risks, greater volatility and differences in accounting methods. The Fund may invest in derivatives, such as options, which involve risks different from, and in certain cases, greater than the risks presented by traditional investments. Diversification does not assure a profit, nor does it protect against a loss in a declining market.

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

Must be preceded or accompanied by a current prospectus. Please read it carefully before you invest.

The Fund is distributed by Quasar Distributors, LLC.

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Average Annual Total Return¹

	<u>One Year</u>	<u>Five Year</u>	<u>Ten Year</u>
Capital Advisors Growth Fund	29.03%	15.87%	12.88%
S&P 500® Index	18.40%	15.22%	13.88%

Performance data quoted represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-866-205-0523.

Returns reflect reinvestment of dividends and capital gains distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gains distributions, or redemption of Fund shares. Indices do not incur expenses and are not available for investment. Performance data shown does not reflect the 2.00% redemption fee imposed on shares held for 7 days or less. If it did, total returns would be reduced.

¹ Average Annual Total Return represents the average change in account value over the periods indicated.

The S&P 500® Index is an unmanaged, capitalization-weighted index of 500 stocks designed to represent the broad domestic economy.

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EXPENSE EXAMPLE at December 31, 2020 (Unaudited)

Shareholders in mutual funds generally incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, redemption fees, and exchange fees, and (2) ongoing costs, including management fees, distribution and/or service fees, and other fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period indicated and held for the entire period (7/1/20 – 12/31/20).

Actual Expenses

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

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second set of lines of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

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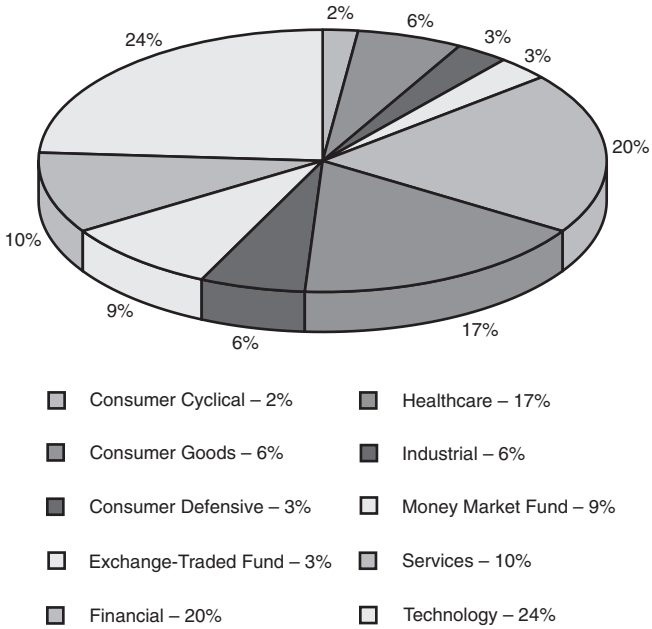
EXPENSE EXAMPLE at December 31, 2020 (Unaudited), Continued

	Beginning Account Value 7/1/20	Ending Account Value 12/31/20	Expenses Paid During Period* 7/1/20 – 12/31/20
Actual	\$1,000.00	\$1,235.60	\$5.62
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.11	\$5.08

* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 184 (days in most recent fiscal half-year)/366 days to reflect the one-half year expense.

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SECTOR ALLOCATION OF PORTFOLIO ASSETS – December 31, 2020 (Unaudited)



Percentages represent market value as a percentage of total investments.

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SCHEDULE OF INVESTMENTS at December 31, 2020

Shares	COMMON STOCKS - 88.03%	Value
	Asset Management - 3.05%	
3,750	BlackRock, Inc.	<u>\$ 2,705,775</u>
	Auto Manufacturers - 2.11%	
45,000	General Motors Co.	<u>1,873,800</u>
	Banks - Diversified - 2.50%	
35,900	Citigroup, Inc.	<u>2,213,594</u>
	Banks - Global - 3.15%	
21,939	JPMorgan Chase & Co.	<u>2,787,789</u>
	Business Services - 2.82%	
11,430	Visa, Inc. - Class A	<u>2,500,084</u>
	Business Software & Services - 4.71%	
18,775	Microsoft Corp.	<u>4,175,935</u>
	Catalog & Mail Order Houses - 4.61%	
1,255	Amazon.com, Inc.*	<u>4,087,447</u>
	Credit Services - 3.44%	
13,035	PayPal Holdings, Inc.*	<u>3,052,797</u>
	Diagnostics & Research - 8.02%	
16,478	Danaher Corp.	3,660,423
7,408	Thermo Fisher Scientific, Inc.	<u>3,450,498</u>
		<u>7,110,921</u>
	Grocery Stores - 2.52%	
70,325	Kroger Co.	<u>2,233,522</u>
	Health Care Plans - 2.02%	
5,110	UnitedHealth Group, Inc.	<u>1,791,975</u>
	Health Information Services - 1.18%	
5,251	Teladoc Health, Inc.*	<u>1,049,990</u>

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

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SCHEDULE OF INVESTMENTS at December 31, 2020, Continued

Shares		Value
	Information Technology Services - 2.51%	
8,500	Accenture PLC - Class A#	\$ <u>2,220,285</u>
	Insurance - Property & Casualty - 0.62%	
4,500	Lemonade, Inc.*	<u>551,250</u>
	Internet Information Providers - 4.52%	
410	Alphabet, Inc. - Class A*	718,582
1,875	Alphabet, Inc. - Class C*+	<u>3,284,775</u>
		<u>4,003,357</u>
	Medical Devices - 2.07%	
7,475	Stryker Corp.	<u>1,831,674</u>
	Medical Instruments & Supplies - 1.61%	
1,741	Intuitive Surgical, Inc.*	<u>1,424,312</u>
	Mortgage Finance - 1.48%	
64,750	Rocket Companies, Inc. - Class A*	<u>1,309,245</u>
	Personal Computers - 4.80%	
32,040	Apple, Inc.	<u>4,251,388</u>
	Personal Products - 3.15%	
20,038	Procter & Gamble Co.	<u>2,788,087</u>
	Personal Services - 1.50%	
7,703	Bright Horizons Family Solutions, Inc.*	<u>1,332,542</u>
	Processed & Packaged Goods - 2.95%	
17,639	PepsiCo, Inc.	<u>2,615,864</u>
	Real Estate Development - 2.73%	
58,660	Brookfield Asset Management, Inc. - Class A#	<u>2,420,898</u>
	Scientific Research & Development Services - 2.14%	
7,625	CRISPR Therapeutics AG#*	1,167,464
10,345	Editas Medicine, Inc.*	<u>725,288</u>
		<u>1,892,752</u>

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

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SCHEDULE OF INVESTMENTS at December 31, 2020, Continued

Shares		Value
Semiconductor Equipment & Materials - 7.95%		
25,434	Applied Materials, Inc.	\$ 2,194,954
3,110	NVIDIA Corp.	1,624,042
20,284	NXP Semiconductors N.V.#	3,225,359
		<u>7,044,355</u>
Software - Application - 2.05%		
4,775	Intuit, Inc.	<u>1,813,784</u>
Specialty Industrial Machinery - 2.93%		
12,215	Honeywell International, Inc.	<u>2,598,131</u>
Specialty Retail - Other - 1.50%		
5,725	Alibaba Group Holding Ltd. - ADR*	<u>1,332,379</u>
Waste Management - 3.39%		
25,450	Waste Management, Inc.	<u>3,001,318</u>
	Total Common Stocks (Cost \$44,217,778).....	<u>78,015,250</u>
EXCHANGE-TRADED FUND - 3.08%		
19,384	SPDR S&P Biotech ETF.....	<u>2,728,880</u>
	Total Exchange-Traded Fund (Cost \$1,589,579)	<u>2,728,880</u>
MONEY MARKET FUND - 8.91%		
7,896,953	First American Government Obligations Fund, Class X, 0.07%† (Cost \$7,896,953)	<u>7,896,953</u>
	Total Investments in Securities (Cost \$53,704,310) - 100.02%.....	88,641,083
	Liabilities in Excess of Other Assets - (0.02)%	<u>(13,327)</u>
	Net Assets - 100.00%	<u>\$88,627,756</u>

* Non-income producing security.

U.S. traded security of a foreign issuer.

† Rate shown is the 7-day annualized yield as of December 31, 2020.

+ Non-voting shares.

ADR - American Depository Receipt

ETF - Exchange-Traded Fund

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

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STATEMENT OF ASSETS AND LIABILITIES at December 31, 2020

ASSETS	
Investments, at value (cost \$53,704,310)	\$88,641,083
Cash	5,983
Receivables:	
Fund shares issued	53,405
Dividends and interest	34,044
Dividend tax reclaim	4,342
Prepaid expenses	17,855
Total assets	<u>88,756,712</u>
LIABILITIES	
Payables:	
Fund shares redeemed	1,471
Due to advisor	49,000
Audit fees	21,000
Shareholder reporting	9,475
Transfer agent fees and expenses	8,199
Administration and fund accounting fees	32,564
Chief Compliance Officer fee	3,750
Custodian fees	1,108
Legal fees	361
Miscellaneous expense	2,028
Total liabilities	<u>128,956</u>
NET ASSETS	<u><u>\$88,627,756</u></u>
CALCULATION OF NET ASSET VALUE PER SHARE	
Net assets applicable to shares outstanding	\$88,627,756
Shares issued and outstanding [unlimited number of shares (par value \$0.01) authorized]	2,453,186
Net asset value, offering and redemption price per share	<u><u>\$36.13</u></u>
COMPONENTS OF NET ASSETS	
Paid-in capital	\$52,023,287
Total distributable earnings	<u>36,604,469</u>
Net assets	<u><u>\$88,627,756</u></u>

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

CAPITAL ADVISORS GROWTH FUND

STATEMENT OF OPERATIONS For the year ended December 31, 2020

INVESTMENT INCOME

Income

Dividends (net of foreign tax withheld and issuance fees of \$8,669)	\$ 788,625
Interest	34,944
Total income.....	823,569

Expenses

Advisory fees (Note 4).....	559,231
Administration and fund accounting fees (Note 4)	128,022
Transfer agent fees and expenses (Note 4)	33,426
Registration fees	27,058
Audit fees	20,999
Chief Compliance Officer fee (Note 4)	15,000
Shareholder reporting.....	14,114
Trustee fees and expenses	13,467
Custody fees (Note 4)	8,137
Legal fees	7,536
Insurance	2,449
Miscellaneous fees.....	2,414
Total expenses.....	831,853
Less: advisory fee waiver (Note 4)	(86,212)
Net expenses.....	745,641
Net investment income	77,928

REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Net realized gain from investments.....	6,507,201
Net realized gain from redemption in-kind.....	682,614
Capital gain distributions from regulated investment companies	2
Net change in unrealized appreciation/(depreciation) on investments	12,983,372
Net realized and unrealized gain on investments.....	20,173,189
Net increase in net assets resulting from operations	\$20,251,117

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

CAPITAL ADVISORS GROWTH FUND

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2020	Year Ended December 31, 2019
INCREASE/(DECREASE) IN NET ASSETS FROM:		
OPERATIONS		
Net investment income	\$ 77,928	\$ 173,375
Net realized gain on investments	6,507,201	3,623,930
Net realized gain from redemption in-kind..	682,614	—
Capital gain distributions from regulated investment companies.....	2	—
Net change in unrealized appreciation/ (depreciation) on investments.....	<u>12,983,372</u>	<u>13,547,628</u>
Net increase in net assets resulting from operations	<u>20,251,117</u>	<u>17,344,933</u>
DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS		
Net dividends and distributions to shareholders	<u>(5,293,321)</u>	<u>(2,517,890)</u>
Total dividends and distributions.....	<u>(5,293,321)</u>	<u>(2,517,890)</u>
CAPITAL SHARE TRANSACTIONS		
Net increase in net assets derived from net change in outstanding shares (a)	<u>4,807,856</u>	<u>5,608,448</u>
Total increase in net assets.....	<u>19,765,652</u>	<u>20,435,491</u>
NET ASSETS		
Beginning of year	<u>68,862,104</u>	<u>48,426,613</u>
End of year	<u>\$88,627,756</u>	<u>\$68,862,104</u>

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

	Year Ended December 31, 2020		Year Ended December 31, 2019	
	Shares	Paid-in Capital	Shares	Paid-in Capital
Shares sold	479,842	\$ 14,620,781	388,588	\$10,478,973
Shares issued in reinvestment of distributions	144,549	5,140,163	84,046	2,448,277
Shares redeemed+	<u>(481,396)</u>	<u>(14,953,088)</u>	<u>(271,039)</u>	<u>(7,318,802)</u>
Net increase	<u>142,995</u>	<u>\$ 4,807,856</u>	<u>201,595</u>	<u>\$ 5,608,448</u>
+ Net of redemption fees of		<u>\$ 183</u>		<u>\$ —</u>

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

CAPITAL ADVISORS GROWTH FUND

FINANCIAL HIGHLIGHTS For a share outstanding throughout the year

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Net asset value, beginning of year	<u>\$29.81</u>	<u>\$22.97</u>	<u>\$25.68</u>	<u>\$24.11</u>	<u>\$22.12</u>
Income from investment operations:					
Net investment income	0.03 ⁽¹⁾	0.08	0.05 ⁽¹⁾	0.05	0.03
Net realized and unrealized gain/(loss) on investments.....	<u>8.58</u>	<u>7.89</u>	<u>(1.19)</u>	<u>3.56</u>	<u>2.12</u>
Total from investment operations	<u>8.61</u>	<u>7.97</u>	<u>(1.14)</u>	<u>3.61</u>	<u>2.15</u>
Less distributions:					
From net investment income.....	(0.04)	(0.08)	(0.05)	(0.05)	(0.05)
From net realized gain on investments.....	<u>(2.25)</u>	<u>(1.05)</u>	<u>(1.52)</u>	<u>(1.99)</u>	<u>(0.11)</u>
Total distributions	<u>(2.29)</u>	<u>(1.13)</u>	<u>(1.57)</u>	<u>(2.04)</u>	<u>(0.16)</u>
Redemption fees retained	<u>0.00⁽¹⁾⁽²⁾</u>	—	<u>0.00⁽¹⁾⁽²⁾</u>	<u>0.00⁽¹⁾⁽²⁾</u>	—
Net asset value, end of year.....	<u><u>\$36.13</u></u>	<u><u>\$29.81</u></u>	<u><u>\$22.97</u></u>	<u><u>\$25.68</u></u>	<u><u>\$24.11</u></u>
 Total return.....	 29.03%	 34.81%	 -4.80%	 14.98%	 9.71%
 Ratios/supplemental data:					
Net assets, end of year (thousands).....	\$88,628	\$68,862	\$48,427	\$51,880	\$45,471
Ratio of expenses to average net assets:					
Before fee waivers	1.12%	1.17%	1.18%	1.39%	1.48%
After fee waivers	1.00%	1.00%	1.00%	1.18%	1.25%
Ratio of net investment income/(loss) to average net assets:					
Before fee waivers	(0.01)%	0.12%	0.00%	(0.01)%	(0.11)%
After fee waivers	0.11%	0.29%	0.18%	0.20%	0.12%
Portfolio turnover rate.....	42.57%	43.55%	46.32%	58.34%	39.60%

(1) Based on average shares outstanding.

(2) Amount is less than \$0.01.

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

CAPITAL ADVISORS GROWTH FUND

NOTES TO FINANCIAL STATEMENTS at December 31, 2020

NOTE 1 – ORGANIZATION

The Capital Advisors Growth Fund (the “Fund”) is a diversified series of Advisors Series Trust (the “Trust”), which is registered under the Investment Company Act of 1940 (the “1940 Act”), as amended, as an open-end management investment company. The Fund follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 946 “Financial Services – Investment Companies.” The Fund began operations on December 31, 1999. The investment objective of the Fund is to achieve long-term capital growth.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

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

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

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. The tax returns of the Fund’s prior three fiscal years are open for examination. Management has reviewed all open tax years in major jurisdictions and concluded that there is no impact on the Fund’s net assets and no tax liability resulting from unrecognized tax events relating to uncertain income tax positions taken or expected to be taken on a tax return. The Fund identifies its major tax jurisdictions as U.S. federal and the state of Wisconsin; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

- C. *Security Transactions, Income and Distributions:* Security transactions are accounted for on the trade date. Realized gains and losses on securities sold are determined on the basis of identified cost. Interest income is recorded on an accrual basis. Dividend income, income and capital gain distributions from underlying funds, and distributions to

CAPITAL ADVISORS GROWTH FUND

NOTES TO FINANCIAL STATEMENTS at December 31, 2020, Continued

shareholders are recorded on the ex-dividend date. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

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

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

Common expenses of the Trust are typically allocated among the funds in the Trust based on a fund's respective net assets, or by other equitable means.

- D. *Reclassification of Capital Accounts:* Accounting principles generally accepted in the United States of America require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended December 31, 2020, the Fund made the following permanent tax adjustments on the statement of assets and liabilities:

<u>Total Distributable Earnings</u>	<u>Paid-in Capital</u>
\$(682,615)	\$682,615

- E. *Use of Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets during the reporting period. Actual results could differ from those estimates.

CAPITAL ADVISORS GROWTH FUND

NOTES TO FINANCIAL STATEMENTS at December 31, 2020, Continued

- F. *REITs*: The Fund is able to make certain investments in real estate investment trusts (“REITs”) which pay dividends to their shareholders based upon available funds from operations. It is quite common for these dividends to exceed the REITs’ taxable earnings and profits resulting in the excess portion being designated as a return of capital. The Fund intends to include the gross dividends from such REITs in its annual distributions to its shareholders and, accordingly, a portion of the Fund’s distributions may also be designated as a return of capital.
- G. *Redemption Fees*: The Fund charges a 2.00% redemption fee to shareholders who redeem shares held 7 days or less. Such fees are retained by the Fund and accounted for as an addition to paid-in capital.
- During the year ended December 31, 2020, the Fund retained \$183 in redemption fees.
- H. *Events Subsequent to the Fiscal Year End*: In preparing the financial statements as of December 31, 2020, management considered the impact of subsequent events for potential recognition or disclosure in the financial statements. Management has determined there were no subsequent events that would need to be disclosed in the Fund’s financial statements.

NOTE 3 – SECURITIES VALUATION

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

CAPITAL ADVISORS GROWTH FUND

NOTES TO FINANCIAL STATEMENTS at December 31, 2020, Continued

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

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

The Fund determines the fair value of its investments and computes its net asset value per share as of the close of regular trading on the New York Stock Exchange (4:00 pm EST).

Equity Securities: The Fund’s investments are carried at fair value. Equity securities, including common stocks and exchange-traded funds, that are primarily traded on a national securities exchange shall be valued at the last sale price on the exchange on which they are primarily traded on the day of valuation or, if there has been no sale on such day, at the mean between the bid and asked prices. Securities primarily traded in the NASDAQ Global Market System for which market quotations are readily available shall be valued using the NASDAQ Official Closing Price (“NOCP”). If the NOCP is not available, such securities shall be valued at the last sale price on the day of valuation, or if there has been no sale on such day, at the mean between the bid and asked prices. Over-the-counter securities which are not traded in the NASDAQ Global Market System shall be valued at the most recent sales price. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Investment Companies: Investments in open-end mutual funds, including money market funds, are generally priced at their net asset value per share provided by the service agent of the funds and will be classified in Level 1 of the fair value hierarchy.

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

The Board of Trustees (“Board”) has delegated day-to-day valuation issues to a Valuation Committee of the Trust which is comprised of representatives from the Fund’s administrator, U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services (“Fund Services”). The function of the Valuation Committee is to value securities where current

CAPITAL ADVISORS GROWTH FUND

NOTES TO FINANCIAL STATEMENTS at December 31, 2020, Continued

and reliable market quotations are not readily available, or the closing price does not represent fair value by following procedures approved by the Board. These procedures consider many factors, including the type of security, size of holding, trading volume and news events. All actions taken by the Valuation Committee are subsequently reviewed and ratified by the Board.

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

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund's securities as of December 31, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks				
Consumer Cyclical	\$ 1,873,800	\$ —	\$ —	\$ 1,873,800
Consumer Goods	5,403,951	—	—	5,403,951
Consumer Defensive	2,233,522	—	—	2,233,522
Financial	17,541,432	—	—	17,541,432
Healthcare	15,101,624	—	—	15,101,624
Industrial	5,599,448	—	—	5,599,448
Services	8,947,323	—	—	8,947,323
Technology	21,314,150	—	—	21,314,150
Total Common Stocks	<u>78,015,250</u>	<u>—</u>	<u>—</u>	<u>78,015,250</u>
Exchange-Traded Fund	<u>2,728,880</u>	<u>—</u>	<u>—</u>	<u>2,728,880</u>
Money Market Fund	<u>7,896,953</u>	<u>—</u>	<u>—</u>	<u>7,896,953</u>
Total Investments in Securities	<u>\$88,641,083</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$88,641,083</u>

Refer to the Fund's schedule of investments for a detailed break-out of securities by industry classification.

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

CAPITAL ADVISORS GROWTH FUND

NOTES TO FINANCIAL STATEMENTS at December 31, 2020, Continued

disclosures, which are required for public companies only, until their effective date. The Fund has adopted all applicable provisions of ASU 2018-13.

The global outbreak of COVID-19 (commonly referred to as “coronavirus”) has disrupted economic markets and the prolonged economic impact is uncertain. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The operational and financial performance of the issuers of securities in which the Fund invests depends on future developments, including the duration and spread of the outbreak, and such uncertainty may in turn adversely affect the value and liquidity of the Fund’s investments, impair the Fund’s ability to satisfy redemption requests, and negatively impact the Fund’s performance.

NOTE 4 – INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Capital Advisors, Inc. (the “Advisor”) provides the Fund with investment management services under an investment advisory agreement. The Advisor furnishes all investment advice, office space, facilities, and provides most of the personnel needed by the Fund. As compensation for its services, the Advisor is entitled to a monthly fee at an annual rate of 0.75%, based upon the average daily net assets of the Fund. For the year ended December 31, 2020, the Fund incurred \$559,231 in advisory fees.

The Fund is responsible for its own operating expenses. The Advisor has contractually agreed to reduce fees payable to it by the Fund and to pay Fund operating expenses (excluding acquired fund fees and expenses, taxes, interest, extraordinary expenses, and other class-specific expense) to the extent necessary to limit the Fund’s aggregate annual operating expenses to 1.00% of average daily net assets.

For the year ended December 31, 2020, the Advisor reduced its fees in the amount of \$86,212. The Advisor does not have the ability to recoup previously waived fees and expenses or future waived fees and expenses.

Fund Services serves as the Fund’s administrator, fund accountant and transfer agent. U.S. Bank N.A. serves as custodian (the “Custodian”) to the Fund. The Custodian is an affiliate of Fund Services. Fund Services maintains the Fund’s books and records, calculates the Fund’s NAV, prepares various federal and state regulatory filings, coordinates the payment of fund expenses, reviews expense accruals and prepares materials supplied to the Board of Trustees. The officers of the Trust and the Chief Compliance Officer are also employees of Fund Services. Fees paid by the Fund to Fund Services

CAPITAL ADVISORS GROWTH FUND

NOTES TO FINANCIAL STATEMENTS at December 31, 2020, Continued

for these services for the year ended December 31, 2020 are disclosed in the Statement of Operations.

Quasar Distributors, LLC (“Quasar” or the “Distributor”) acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s shares. Effective March 31, 2020, Foreside Financial Group, LLC (“Foreside”) acquired Quasar from U.S. Bancorp. As a result of the acquisition, Quasar became a wholly-owned broker-dealer subsidiary of Foreside and is no longer affiliated with U.S. Bancorp. The Board of Trustees of the Fund’s has approved a new Distribution Agreement to enable Quasar to continue serving as the Fund’s Distributor.

NOTE 5 – PURCHASES AND SALES OF SECURITIES

For the year ended December 31, 2020, the cost of purchases and the proceeds from sales of securities, excluding short-term securities, were \$29,449,795 and \$28,361,503, respectively. Sale transactions include securities redeemed in-kind of \$1,712,757.

NOTE 6 – INCOME TAXES

The tax character of distributions paid during the years ended December 31, 2020 and December 31, 2019 were as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Ordinary income	\$ 77,928	\$ 182,617
Long-term capital gains	5,215,393	2,335,273

As of December 31, 2020, the components of accumulated earnings/(losses) on a tax basis were as follows:

Cost of investments	<u>\$53,710,132</u>
Gross tax unrealized appreciation	34,979,895
Gross tax unrealized depreciation.	<u>(48,944)</u>
Net tax unrealized appreciation	<u>34,930,951</u>
Undistributed ordinary income	—
Undistributed long-term capital gain	<u>1,673,518</u>
Total distributable earnings	<u>1,673,518</u>
Other accumulated gains/(losses)	—
Total accumulated earnings/(losses)	<u>\$36,604,469</u>

The difference between book basis and tax basis net unrealized appreciation and cost is attributable to wash sales.

CAPITAL ADVISORS GROWTH FUND

NOTES TO FINANCIAL STATEMENTS at December 31, 2020, Continued

NOTE 7 – PRINCIPAL RISKS

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

- *Market and Regulatory Risk* – Events in the financial markets and economy may cause volatility and uncertainty and adversely impact the Fund's performance. Traditionally liquid investments may experience periods of diminished liquidity. Governmental and regulatory actions, including tax law changes, may also impair portfolio management and have unexpected or adverse consequences on particular markets, strategies, or investments. The Fund's investments may decline in value due to factors affecting individual issuers (such as the results of supply and demand), or sectors within the securities markets. The value of a security or other investment also may go up or down due to general market conditions that are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in interest rates or exchange rates, or adverse investor sentiment generally. In addition, unexpected events and their aftermaths, such as the spread of deadly diseases; natural, environmental or man-made disasters; financial, political or social disruptions; terrorism and war; and other tragedies or catastrophes, can cause investor fear and panic, which can adversely affect the economies of many companies, sectors, nations, regions and the market in general, in ways that cannot necessarily be foreseen.
- *Growth-Style Investing Risk* – Over time, a growth-oriented investing style may go in and out of favor, which may cause the Fund to underperform other equity funds that use different investing styles.
- *Non-U.S. Investment Risk* – Foreign securities can be more volatile than domestic (U.S.) securities. Securities markets of other countries are generally smaller than U.S. securities markets. Many foreign securities may be less liquid and more volatile than U.S. securities, which could affect the Fund's investments.
- *Depository Receipt Risk* – The risks of depository receipts include many risks associated with investing directly in foreign securities, such as individual country risk and liquidity risk. Unsponsored ADRs, which are issued by a depository bank without the participation or consent of the issuer, involve additional risks because U.S. reporting requirements do not apply, and the issuing bank will recover shareholder distribution costs from movement of share prices and payment of dividends.

CAPITAL ADVISORS GROWTH FUND

NOTES TO FINANCIAL STATEMENTS at December 31, 2020, Continued

NOTE 8 – CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly of more than 25% of the voting securities of the Fund creates a presumption of control of the Fund, under Section 2(a)(9) of the 1940 Act. As of December 31, 2020, Charles Schwab & Co., Inc., for the benefit of their customers, owned 66.34% of the outstanding shares of the Fund.

CAPITAL ADVISORS GROWTH FUND

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees Advisors Series Trust and
Shareholders of Capital Advisors Growth Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Capital Advisors Growth Fund (the "Fund"), a series of Advisors Series Trust (the "Trust"), including the schedule of investments, as of December 31, 2020, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
March 1, 2021

CAPITAL ADVISORS GROWTH FUND

NOTICE TO SHAREHOLDERS at December 31, 2020 (Unaudited)

For the year ended December 31, 2020, the Fund designated \$77,928 and \$5,215,393 as ordinary income and long-term capital gains, respectively, for purposes of the dividends paid deduction.

For the year ended December 31, 2020, certain dividends paid by the Fund may be subject to a maximum tax rate of 23.80%, as provided by the Tax Cuts and Jobs Act of 2017. The percentage of dividends declared from ordinary income designated as qualified dividend income was 100.00% for the Fund.

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the year ended December 31, 2020 was 100.00% for the Fund.

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(C) for the year ended December 31, 2020 was 0.00% for the Fund.

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

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling 1-866-205-0523 or on the SEC's website at <http://www.sec.gov>.

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

Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling 1-866-205-0523. Furthermore, you can obtain the Fund's proxy voting records on the SEC's website at <http://www.sec.gov>.

Quarterly Filings on Form N-PORT

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Part F of Form N-PORT. The Fund's Form N-PORT is available on the SEC's website at www.sec.gov. Information included in the Fund's Form N-PORT is also available, upon request, by calling 1-866-205-0523.

CAPITAL ADVISORS GROWTH FUND

STATEMENT REGARDING LIQUIDITY RISK MANAGEMENT PROGRAM (Unaudited)

The Fund has adopted a liquidity risk management program (the “program”). The Board has designated a committee at the Advisor to serve as the administrator of the program. The Advisor’s committee conducts the day-to-day operation of the program pursuant to policies and procedures administered by the committee.

Under the program, the Advisor’s committee manages the Fund’s liquidity risk, which is the risk that the Fund could not meet shareholder redemption requests without significant dilution of remaining shareholders’ interests in the Fund. This risk is managed by monitoring the degree of liquidity of the Fund’s investments, limiting the amount of the Fund’s illiquid investments, and utilizing various risk management tools and facilities available to the Fund for meeting shareholder redemptions, among other means. The committee’s process of determining the degree of liquidity of the Fund’s investments is supported by one or more third-party liquidity assessment vendors.

The Board reviewed a report prepared by the committee regarding the operation and effectiveness of the program for the period June 1, 2019 through June 30, 2020. No significant liquidity events impacting the Fund were noted in the report. In addition, the committee provided its assessment that the program had been effective in managing the Fund’s liquidity risk.

CAPITAL ADVISORS GROWTH FUND

INFORMATION ABOUT TRUSTEES AND OFFICERS (Unaudited)

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

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served*</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Trustee⁽²⁾</u>	<u>Other Directorships Held During Past Five Years⁽³⁾</u>
Independent Trustees⁽¹⁾					
Gail S. Duree (age 74) 615 E. Michigan Street Milwaukee, WI 53202	Trustee	Indefinite term; since March 2014.	Director, Alpha Gamma Delta Housing Corporation (collegiate housing management) (2012 to July 2019); Trustee and Chair (2000 to 2012), New Covenant Mutual Funds (1999 to 2012); Director and Board Member, Alpha Gamma Delta Foundation (philanthropic organization) (2005 to 2011).	1	Trustee, Advisors Series Trust (for series not affiliated with the Fund).
David G. Mertens (age 60) 615 E. Michigan Street Milwaukee, WI 53202	Trustee	Indefinite term; since March 2017.	Partner and Head of Business Development Ballast Equity Management, LLC (a privately-held investment advisory firm) (February 2019 to present); Managing Director and Vice President, Jensen Investment Management, Inc. (a privately-held investment advisory firm) (2002 to 2017).	1	Trustee, Advisors Series Trust (for series not affiliated with the Fund).

CAPITAL ADVISORS GROWTH FUND

INFORMATION ABOUT TRUSTEES AND OFFICERS (Unaudited), Continued

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served*</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Trustee⁽²⁾</u>	<u>Other Directorships Held During Past Five Years⁽³⁾</u>
Joe D. Redwine (age 73) 615 E. Michigan Street Milwaukee, WI 53202	Trustee	Indefinite term; since September 2008.	Retired; formerly Manager, President, CEO, U.S. Bancorp Fund Services, LLC, and its predecessors, (May 1991 to July 2017).	1	Trustee, Advisors Series Trust (for series not affiliated with the Fund).
Raymond B. Woolson (age 62) 615 E. Michigan Street Milwaukee, WI 53202	Chairman of the Board Trustee	Indefinite term; since January 2020; Indefinite term; since January 2016.	President, Apogee Group, Inc. (financial consulting firm) (1998 to present).	1	Trustee, Advisors Series Trust (for series not affiliated with the Fund); Independent Trustee, DoubleLine Funds Trust (an open-end investment company with 19 portfolios), DoubleLine Opportunistic Credit Fund, DoubleLine Selective Credit Fund and DoubleLine Income Solutions Fund, from 2010 to present.

CAPITAL ADVISORS GROWTH FUND

INFORMATION ABOUT TRUSTEES AND OFFICERS (Unaudited), Continued

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>
Officers			
Jeffrey T. Rauman (age 51) 615 E. Michigan Street Milwaukee, WI 53202	President, Chief Executive Officer and Principal Executive Officer	Indefinite term; since December 2018.	Senior Vice President, Compliance and Administration, U.S. Bank Global Fund Services (February 1996 to present).
Cheryl L. King (age 59) 615 E. Michigan Street Milwaukee, WI 53202	Vice President, Treasurer and Principal Financial Officer	Indefinite term; since December 2007.	Vice President, Compliance and Administration, U.S. Bank Global Fund Services (October 1998 to present).
Kevin J. Hayden (age 49) 615 E. Michigan Street Milwaukee, WI 53202	Assistant Treasurer	Indefinite term; since September 2013.	Vice President, Compliance and Administration, U.S. Bank Global Fund Services (June 2005 to present).
Richard R. Conner (age 38) 615 E. Michigan Street Milwaukee, WI 53202	Assistant Treasurer	Indefinite term; since December 2018.	Assistant Vice President, Compliance and Administration, U.S. Bank Global Fund Services (July 2010 to present).
Michael L. Ceccato (age 63) 615 E. Michigan Street Milwaukee, WI 53202	Vice President, Chief Compliance Officer and AML Officer	Indefinite term; since September 2009.	Senior Vice President, U.S. Bank Global Fund Services and Vice President, U.S. Bank N.A. (February 2008 to present).

CAPITAL ADVISORS GROWTH FUND

INFORMATION ABOUT TRUSTEES AND OFFICERS (Unaudited), Continued

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>
Officers Elaine E. Richards, Esq. (age 52) 2020 East Financial Way, Suite 100 Glendora, CA 91741	Vice President and Secretary	Indefinite term; since September 2019.	Senior Vice President, U.S. Bank Global Fund Services (July 2007 to present).

- * The Trustees have designated a mandatory retirement age of 75, such that each Trustee, serving as such on the date he or she reaches the age of 75, shall submit his or her resignation not later than the last day of the calendar year in which his or her 75th birthday occurs ("Retiring Trustee"). Upon request, the Board may, by vote of a majority of Trustees eligible to vote on such matter, determine whether or not to extend such Retiring Trustee's term and on the length of a one-time extension of up to three additional years.
- (1) The Trustees of the Trust who are not "interested persons" of the Trust as defined under the 1940 Act ("Independent Trustees").
 - (2) As of December 31, 2020, the Trust was comprised of 35 active portfolios managed by unaffiliated investment advisers. The term "Fund Complex" applies only to the Fund. The Fund does not hold itself out as related to any other series within the Trust for investment purposes, nor does it share the same investment adviser with any other series.
 - (3) "Other Directorships Held" includes only directorships of companies required to register or file reports with the SEC under the Securities Exchange Act of 1934, as amended, (that is, "public companies") or other investment companies registered under the 1940 Act.

The Statement of Additional Information includes additional information about the Fund's Trustees and Officers and is available, without charge, upon request by calling 1-866-205-0523.

CAPITAL ADVISORS GROWTH FUND

HOUSEHOLDING

In an effort to decrease costs, the Fund intends to reduce the number of duplicate prospectuses, annual and semi-annual reports, proxy statements and other similar documents you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders the Transfer Agent reasonably believes are from the same family or household. Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at 1-866-205-0523 to request individual copies of these documents. Once the Transfer Agent receives notice to stop householding, the Transfer Agent will begin sending individual copies thirty days after receiving your request. This policy does not apply to account statements.

CAPITAL ADVISORS GROWTH FUND

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited)

At meetings held on October 19-20 and December 10-11, 2020, the Board (which is comprised of four persons, all of whom are Independent Trustees as defined under the Investment Company Act of 1940, as amended), considered and approved, for another annual term, the continuance of the investment advisory agreement (the “Advisory Agreement”) between Advisors Series Trust (the “Trust”) and Capital Advisors, Inc. (the “Advisor”) on behalf of the Capital Advisors Growth Fund (the “Fund”). At both meetings, the Board received and reviewed substantial information regarding the Fund, the Advisor and the services provided by the Advisor to the Fund under the Advisory Agreement. This information, together with the information provided to the Board throughout the course of the year, formed the primary (but not exclusive) basis for the Board’s determinations. Below is a summary of the factors considered by the Board and the conclusions that formed the basis for the Board’s approval of the continuance of the Advisory Agreement:

1. THE NATURE, EXTENT AND QUALITY OF THE SERVICES PROVIDED AND TO BE PROVIDED BY THE ADVISOR UNDER THE ADVISORY AGREEMENT. The Board considered the nature, extent and quality of the Advisor’s overall services provided to the Fund, as well as its specific responsibilities in all aspects of day-to-day investment management of the Fund. The Board considered the qualifications, experience and responsibilities of the portfolio managers, as well as the responsibilities of other key personnel of the Advisor involved in the day-to-day activities of the Fund. The Board also considered the resources and compliance structure of the Advisor, including information regarding its compliance program, its chief compliance officer and the Advisor’s compliance record, as well as the Advisor’s cybersecurity program, liquidity risk management program, business continuity plan, and risk management process. Additionally, the Board considered how the Advisor’s business continuity plan has operated during the recent COVID-19 pandemic. The Board further considered the prior relationship between the Advisor and the Trust, as well as the Board’s knowledge of the Advisor’s operations, and noted that during the course of the prior year they had met with certain personnel of the Advisor in person or by videoconference to discuss the Fund’s performance and investment outlook as well as various marketing and compliance topics. The Board concluded that the Advisor had the quality and depth of personnel, resources, investment processes and compliance policies and procedures essential to performing its duties under the Advisory Agreement and that they were satisfied with the nature, overall quality and extent of such management services.

CAPITAL ADVISORS GROWTH FUND

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited), Continued

2. THE FUND'S HISTORICAL PERFORMANCE AND THE OVERALL PERFORMANCE OF THE ADVISOR. In assessing the quality of the portfolio management delivered by the Advisor, the Board reviewed the short-term and long-term performance of the Fund as of June 30, 2020, on both an absolute basis and in comparison to its peer funds utilizing Morningstar classifications, an appropriate securities market benchmark, and the Advisor's similarly managed accounts. While the Board considered both short-term and long-term performance, it placed greater emphasis on longer term performance. When reviewing performance against the comparative peer group universe, the Board took into account that the investment objectives and strategies of the Fund, as well as its level of risk tolerance, may differ significantly from funds in the peer universe. When reviewing the Fund's performance against a broad market benchmark, the Board took into account the differences in portfolio construction between the Fund and such benchmark as well as other differences between actively managed funds and passive benchmarks, such as objectives and risks. In assessing periods of relative underperformance or outperformance, the Board took into account that relative performance can be significantly impacted by performance measurement periods and that some periods of underperformance may be transitory in nature while others may reflect more significant underlying issues.

The Board noted that the Fund underperformed the peer group median of its Morningstar comparative universe for the one-year, three-year, five-year, and ten-year periods ended June 30, 2020. The Board reviewed the performance of the Fund against a broad-based securities market benchmark, noting that it had outperformed its primary benchmark index for the one- and three-year periods and underperformed for the five- and ten-year periods ended June 30, 2020.

The Board also considered any differences in performance between the similarly managed accounts of the Adviser and the performance of the Fund, noting that the Fund outperformed the similarly managed account composite for the one- and three-year periods and underperformed for the five- and ten-year periods ended June 30, 2020. The Board noted that the Advisor represented that differences in performance were primarily due to the composite containing meaningful individual client cash position variances and/or restrictions, as well as legacy client securities that are not part of the strategy or fund.

CAPITAL ADVISORS GROWTH FUND

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited), Continued

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

The Board noted that the Advisor had contractually agreed to maintain an annual expense ratio for the Fund's Investor Class shares of 1.00% (the "Expense Cap"). The Board noted that the Fund's total expense ratio and contractual advisory fee were above its peer group median and average. Additionally, the Board noted that when the Fund's peer group was adjusted to include only funds with similar asset sizes, the total expense ratio and contractual advisory fee were above the peer group median and average. The Board also considered that after advisory fee waivers and the payment of Fund expenses necessary to maintain the Expense Cap, the net advisory fees received by the Advisor from the Fund were below the peer group median and average as of the year ended June 30, 2020. The Board also took into consideration the services the Advisor provides to its separately managed account clients, comparing the fees charged for those management services to the fees charged to the Fund. The Board found that the management fees charged to the Fund were generally below the management fees charged to the Advisor's separately managed account clients.

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

4. ECONOMIES OF SCALE. The Board also considered whether economies of scale were being realized by the Advisor that should be shared with shareholders. The Board noted that the Advisor has contractually agreed to reduce its advisory fees or reimburse Fund expenses so that the Fund does not exceed its specified Expense Cap. The Board noted that at current asset levels, it did not appear that there were additional significant economies of scale being realized by the Advisor and concluded that it would continue to monitor economies of scale in the future as circumstances changed and assuming asset levels continued to increase.

CAPITAL ADVISORS GROWTH FUND

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited), Continued

5. THE PROFITS TO BE REALIZED BY THE ADVISOR AND ITS AFFILIATES FROM THEIR RELATIONSHIP WITH THE FUND. The Board reviewed the Advisor's financial information and took into account both the direct benefits and the indirect benefits to the Advisor from advising the Fund. The Board considered the profitability to the Advisor from its relationship with the Fund and considered any additional benefits derived by the Advisor from its relationship with the Fund. The Board also considered that the Fund does not have a Rule 12b-1 fee or utilize "soft dollars." The Board also reviewed information regarding fee offsets for separate accounts invested in the Fund and determined that the Advisor was not receiving an advisory fee both at the separate account and at the Fund level for these accounts, and as a result was not receiving additional fall-out benefits from these relationships. After such review, the Board determined that the profitability to the Advisor with respect to the Advisory Agreement was not excessive, and that the Advisor had maintained adequate profit levels to support the services it provides to the Fund.

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

PRIVACY NOTICE

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

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

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

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

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This report is intended for shareholders of the Fund and may not be used as sales literature unless preceded or accompanied by a current prospectus.

Past performance results shown in this report should not be considered a representation of future performance. Share price and returns will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Statements and other information herein are dated and are subject to change.