CENTRE

Centre Funds

Centre Active U.S. Fixed Income
Centre Active U.S. Tax Exempt Fund DHBRX | DHBIX
Centre Active U.S. Treasury Fund DHTRX | DHTUX

FUNDAMENTALLY-DRIVEN SPECIALIST ACTIVE FUNDS

Fund Profile: Summary

Investment Objective :

Each Fund seeks to maximize investor's total return through capital appreciation and current income

Investment Strategy Highlights:

- **Proprietary Interest Rate Forecasting Process –** Combining fundamental analysis of economic factors and technical factors/investor psychology
- **Monthly optimization and rebalance –** Seeks to capture general cyclical trend in interest rates while allowing the potential to benefit from short-term deviations from trend
- **Expands sources of return beyond credit plays** – Seeks to take advantage of rate changes through active duration management while providing cash flow and diversification from a high quality core portfolio
- **Not permanently bullish/bearish** – Investors can benefit from timely tactical responses to fundamental changes in market conditions
- Designed to offer **potential capital appreciation/preservation in various interest rate environments**

Fund Profile: Fund Manager

T. Kirkham (Kirk) Barneby is the portfolio manager of the Centre Active U.S. Treasury Fund and the Centre Active U.S. Tax Exempt Fund. Mr. Barneby serves as Investment Director, Active Fixed Income, of the Adviser. Prior to joining the Adviser in 2014, Mr. Barneby served as Senior Managing Director and Portfolio Manager at Hudson Canyon Investment Counselors, LLC, where he was responsible for managing private account clients in the Active Interest Rate Management strategy. Prior to that, Mr. Barneby held the title of Chief Strategist & Portfolio Manager, Taxable Fixed Income at American Independence Financial Services. Prior to AIFS, Mr. Barneby was a Managing Member of Old Iron Hill Capital Management, LLC employing quantitatively oriented fixed income and multi-strategy investment approaches. Previously, he headed an investment group at UBS in New York that managed equity and bond portfolios with roughly $7 billion in assets. Mr. Barneby is a graduate of Southwest Missouri State College – now Missouri State University – with a Bachelor of Science Degree in Mathematics and Economics. Subsequently, he completed all course and exam requirements for a Doctorate in Economics at Oklahoma State University. He is a National Science, NDEA and Woodrow Wilson Fellow.

Investment Process: Active Duration Management

INTEREST RATE OUTLOOK	IMPLIED YIELD SHIFT	TARGET DURATION - TREASURY	TARGET DURATION – TAX EXEMPT	IMPLEMENTATION
Fully Bullish		+ 11.00 years	+ 9.50 years	**COMPLEMENT “CORE” WITH LONG U.S. TREASURY FUTURES**
Bullish		+ 8.25 years	+ 7.125 years	
Neutral	Unclear	~ 5.50 years	~ 4.75 years	
Bearish		+ 2.75 years	+ 2.375 years	**COMPLEMENT “CORE” WITH SHORT U.S. TREASURY FUTURES**
Fully Bearish		= 0.00 years	= 0.00 years	

- Based on the Interest Rate Scorecard℠, we determine the interest rate outlook.
- Based on the interest rate outlook the portfolio’s duration is determined.
- Utilize U.S. Treasury-based futures contracts to implement duration positioning.

Source: Centre Asset Management, LLC.

Investment Process: Active Duration Management

Fundamentally-Driven Model

I. **Economic Outlook**
- Employment
- Production
- Economic Growth

II. **Inflationary Expectations**
- Commodity Prices
- Inflation Measures

III. **Investor Psychology** (Overbought/Oversold)
- Technical measures of market fluctuations not explained by Economic Outlook and Inflation
- Interest Rate Trends

Model Outlook and Target Duration Scenarios

Outlook		Portfolio Construction		
Scenario	Implied Yield Shift	Treasury	Tax Exempt	Implementation
Fully Bullish	↓↓↓	+ 11 years	+ 9.5 years	COMPLEMENT "CORE" WITH LONG U.S. TREASURY FUTURES
Bullish	↓↓	+ 8.25 years	+ 7.125 years	
Neutral	Unclear	~ 5.5 years	~ 4.75 years	
Bearish	↑↑	+ 2.75 years	+ 2.375 years	COMPLEMENT "CORE" WITH SHORT U.S. TREASURY FUTURES
Fully Bearish	↑↑↑	= 0.00 years	= 0.00 years	

Source: Centre Asset Management, LLC.

Investment Process: “Core” Treasury Portfolio

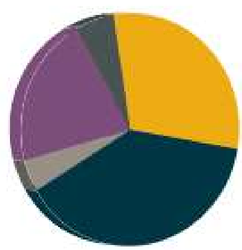
Investment strategy for “Core”:

Mimic the return to the Treasury market.

Investment process for “Core”:

Construct a portfolio targeted to the maturity (duration) structure of the Treasury market.

MATURITY BREAKDOWN



Maturity	% of Portfolio
0 - 3 Years	30.38%
3 - 7 Years	38.74%
7 - 10 Years	4.22%
10 - 20 Years	0.00%
20+ Years	20.85%
Cash	5.81%
Weighted Average Maturity	8.44

Source: Centre Asset Management, LLC. As of 12/31/16

Investment Process: “Core” Municipal Bond Portfolio

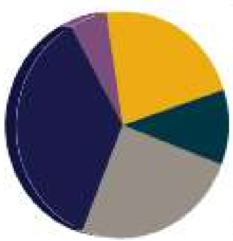
Investment Strategy for “Core”:

Provide tax-advantaged income while minimizing the likelihood of credit default.

Investment Process for “Core”:

- Construct a diversified high quality intermediate duration portfolio.
- Focus is on States with favorable business climates: tax structure, legislation and regulation.

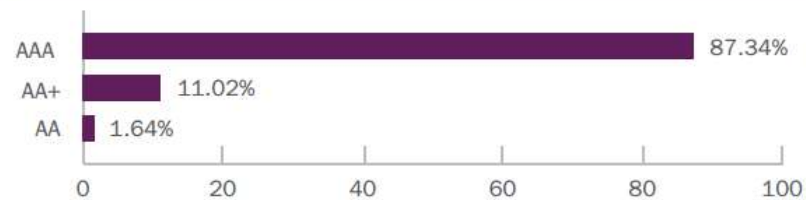
MATURITY BREAKDOWN



Maturity	% of Portfolio
0 - 3 Years	22.74%
3 - 7 Years	10.73%
7 - 10 Years	25.38%
10+ Years	35.70%
Cash	5.45%
Weighted Average Maturity	8.25

Source: Centre Asset Management, LLC. As of 12/31/16

QUALITY BREAKDOWN



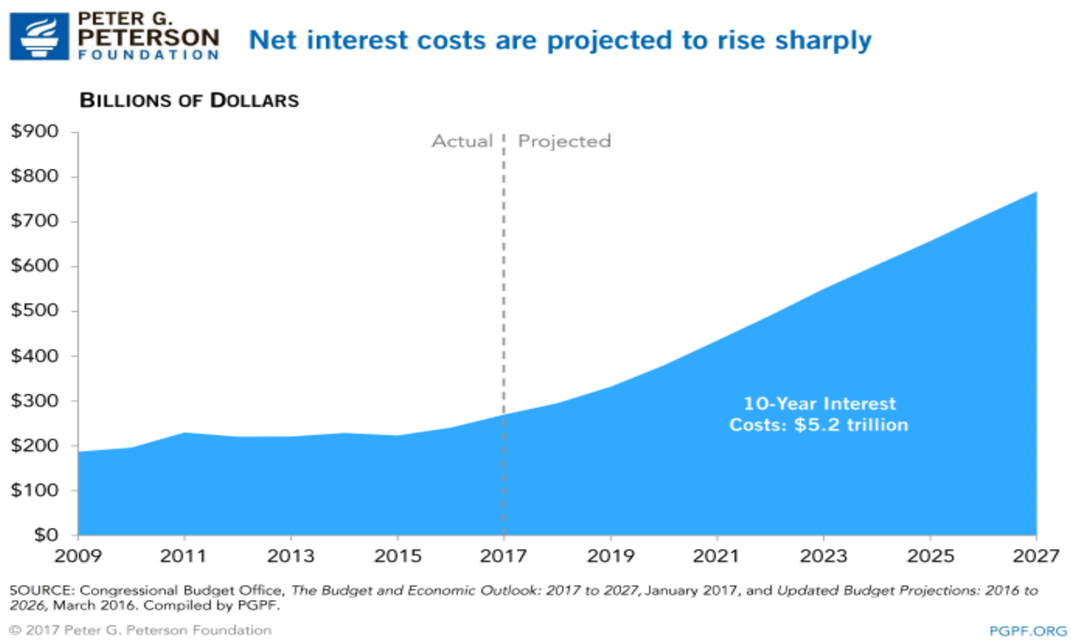
Source: Centre Asset Management, LLC. Ratings provided by Standard & Poor’s. As of December 31, 2016. Data subject to change. AAA represents “extremely strong,” AA “very strong,” and A “strong,” respectively, “capacity to meet financial commitments.” For information on the rating agency methodology go to: http://www.standardandpoors.com/home/en/us.

What Will the Federal Reserve do in 2017 - Tighten Further or Remain Dovish & be President Trump's Deficit Enabler

Independent Fed

Trump Card

Trump Card



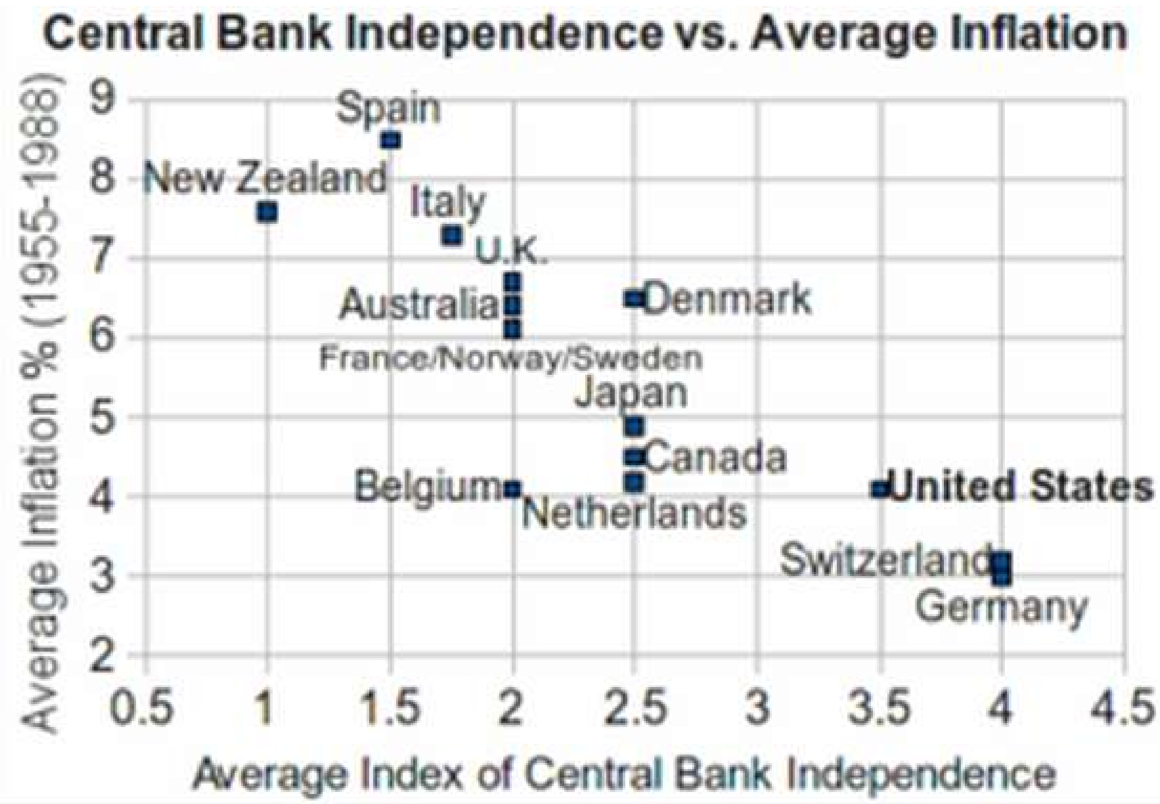
- Under current law, CBO (Congressional Budget Office) projects that net interest costs will more than double over the next 10 years, soaring from $270 billion in 2017 to $712 billion in 2026 and totaling $4.8 trillion over the period. Interest costs are expected to continue climbing beyond the next 10 years and are projected to be the third largest category in the federal budget by 2028 (after just Social Security and Medicare, the second largest category in 2046, and the single largest category in 2050.
- The near term provisions could be made worse with infrastructure spending and tax cuts.

Trump Card

- Monetary Policy would focus on keeping rates low to minimize the impact on Federal Deficit– the norm before the Treasury Accord of 1951.
- Tax cuts, regulatory policy and legislative changes will spur real growth through increased incentives to work and invest. But the benefits to higher tax revenues and reduced deficits won't be instantaneous.
- Increased human capital, a more productive labor force, through improved education will take some time.
- President Trump may have strange bedfellows--those who want to do away with the Federal Reserve or limit its independence--in exerting pressure on Chairwoman Janet Yellen.
- But, "Accommodation" doesn't work. While the Federal Reserve can control very short term rates, market forces--the fundamentals--come into play at the two-year maturity along the yield curve ala the "Bond Market Vigilantes" of the late 1970s early 1980s.

Independent Fed

- "You're Fired" would be a problem--an independent monetary authority is consistent with achieving price stability--currently defined as 2% inflation.



Source: Alisna and Summers (1993) in "Central Bank Independence and Macroeconomic Performance Some Comparative Evidence". As of March 15, 2017

Independent Fed

- The FOMC (Federal Open Market Committee) is already behind the curve. The Taylor rule facility made available at the Atlanta Federal Reserve Bank indicates that even now policy makers are likely two one quarter point moves behind. The primary exceptions focus on inertia in Fed behavior--consistent with its past "foot-dragging history"--and/or place great emphasis on any estimate of shortfall in resource utilization.

- From Chairwoman Janet Yellen: "As I noted on previous occasions, **waiting too long to remove accommodation would be unwise, potentially requiring the FOMC to eventually raise rates rapidly, which could risk disrupting financial markets and pushing the economy into recession.** Incoming data suggest that labor market conditions continue to strengthen and inflation is moving up to 2 percent, consistent with the Committee's expectations. At our upcoming meetings, the Committee will evaluate whether employment and inflation are continuing to evolve in line with these expectations, in which case a further adjustment of the federal funds rate would likely be appropriate."

Source: Federal Reserve Bank of Atlanta, Semiannual Monetary Policy Report to the Congress. As of March 15, 2017

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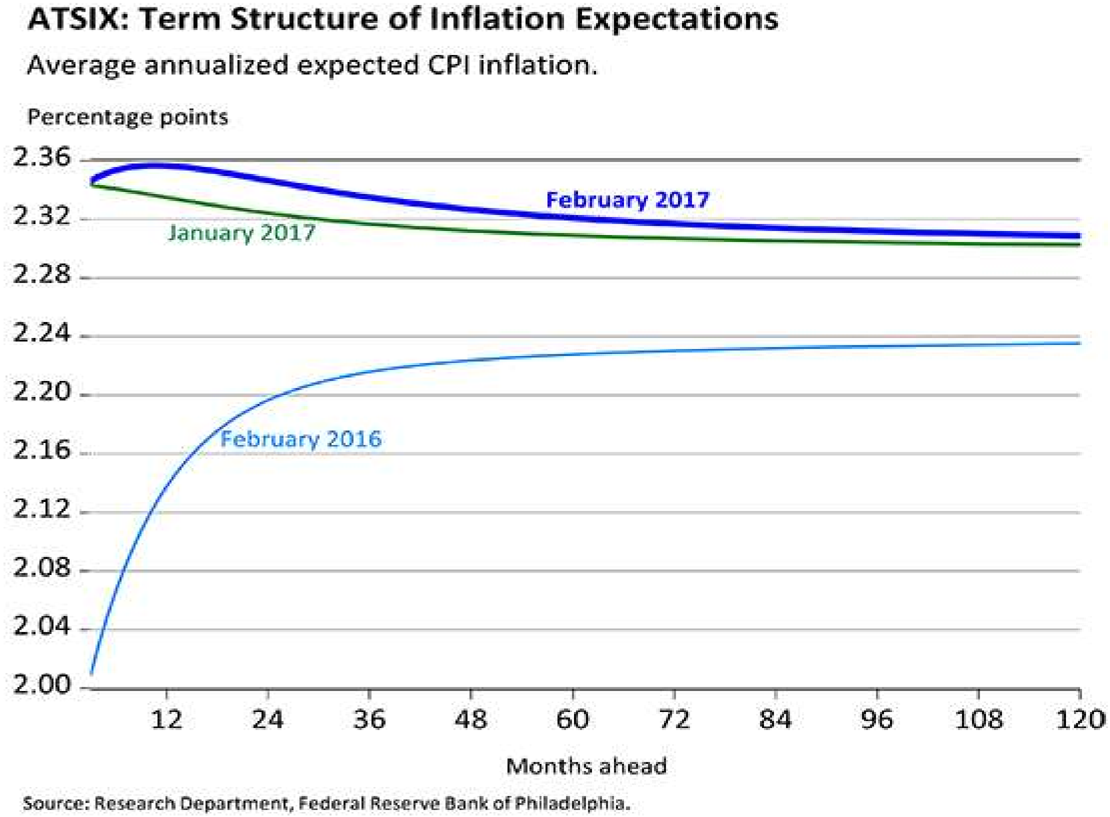
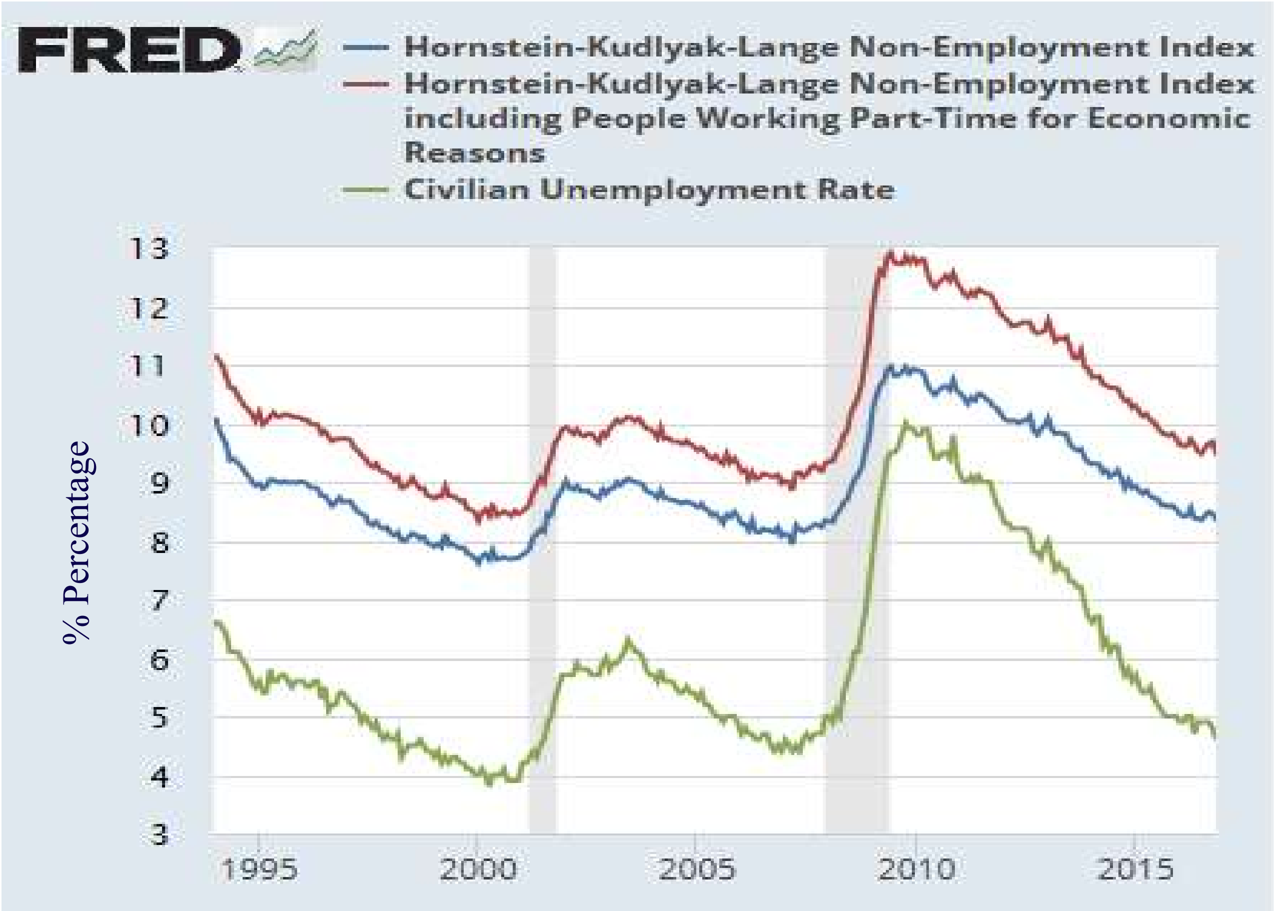
Independent Fed



As of March 15, 2017
**CPI (Consumer Price Index) *ATSIX (Aruoba Term Structure of Inflation Expectations)*

- Inflation expectations--a key data point for the Fed--are in line with its 2% inflation goal.

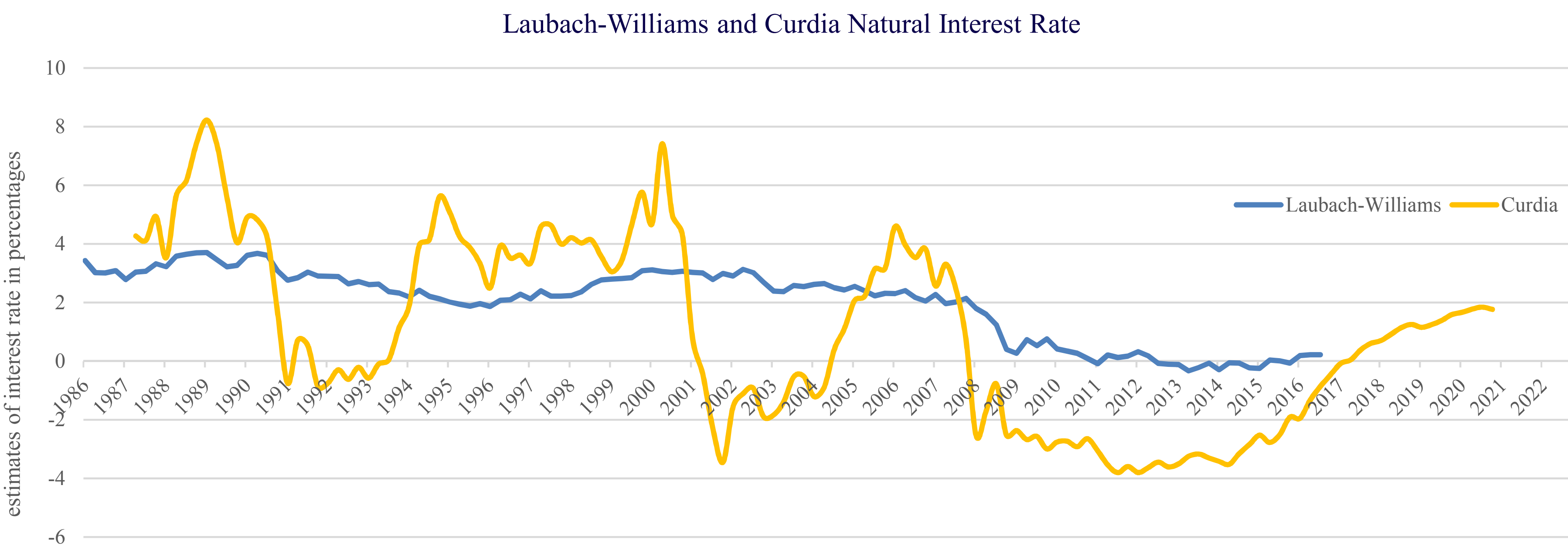
Independent Fed



Source: Federal Reserve Bank of St. Louis, Federal Reserve Bank of Richmond.
As of March 15, 2017

- All measures of unemployment are consistent with strong labor force activity.

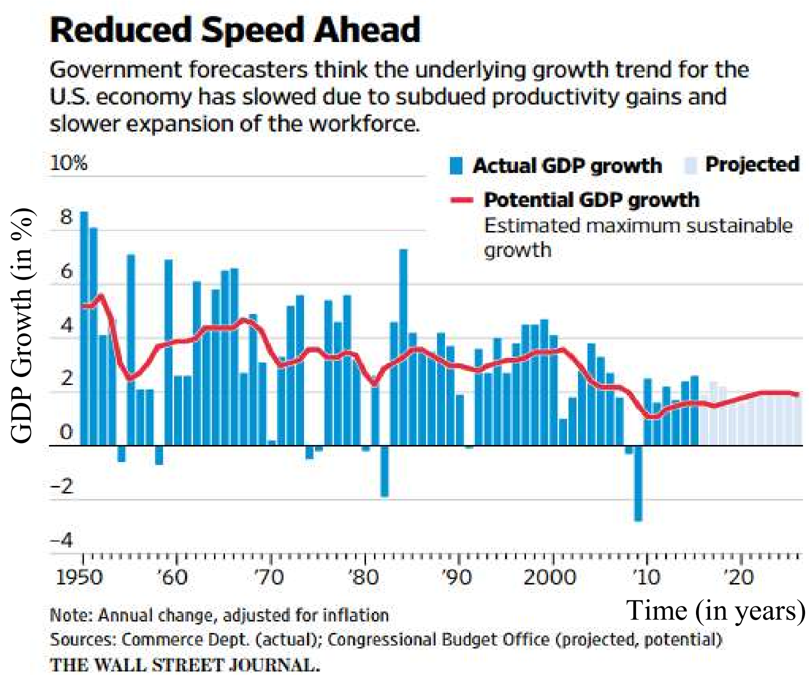
Our Discipline: Rates Reflect the Fundamentals



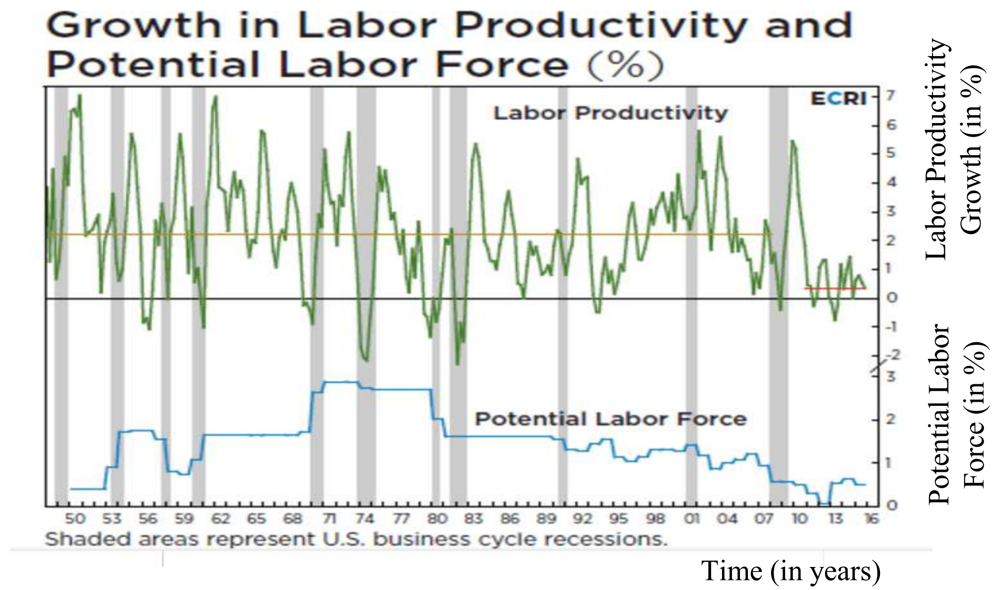
Dates range from 01/31/1986 through 07/31/2021. As of March 15, 2017

- Natural rate estimates suggest the target for the real federal funds rate, currently near zero could reach 1-1½% in late 2017 or early 2018 – a nominal federal funds rate of 3½%.
- The "normal" term premium would imply a 10-year yield of about 4%.
- Rates will likely move higher in a jagged manner as investors attempt to assess the policy reactions of a "data dependent" Fed to recently released data and global uncertainty.

Our Discipline: Rates Reflect the Fundamentals



As of March 15, 2017

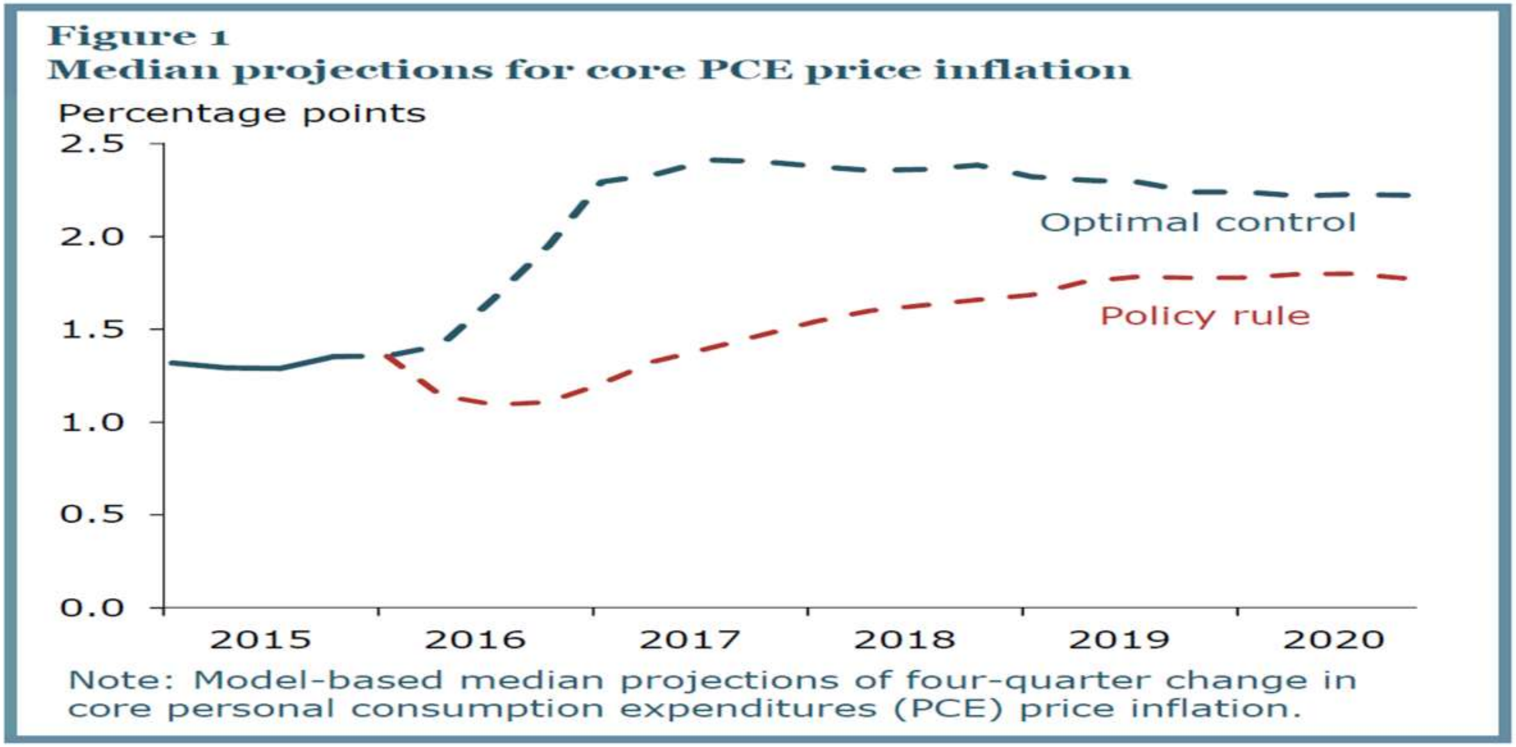


Source: Economic Cycle Research Institute. As of March 15, 2017

- Labor force growth can increase due to increased incentives to work and immigration.
- Productivity can increase due to investment in plant, equipment, technology and education.
- The Fed can't control growth but can facilitate it by maintaining price stability.

Monetary Policy Effectiveness

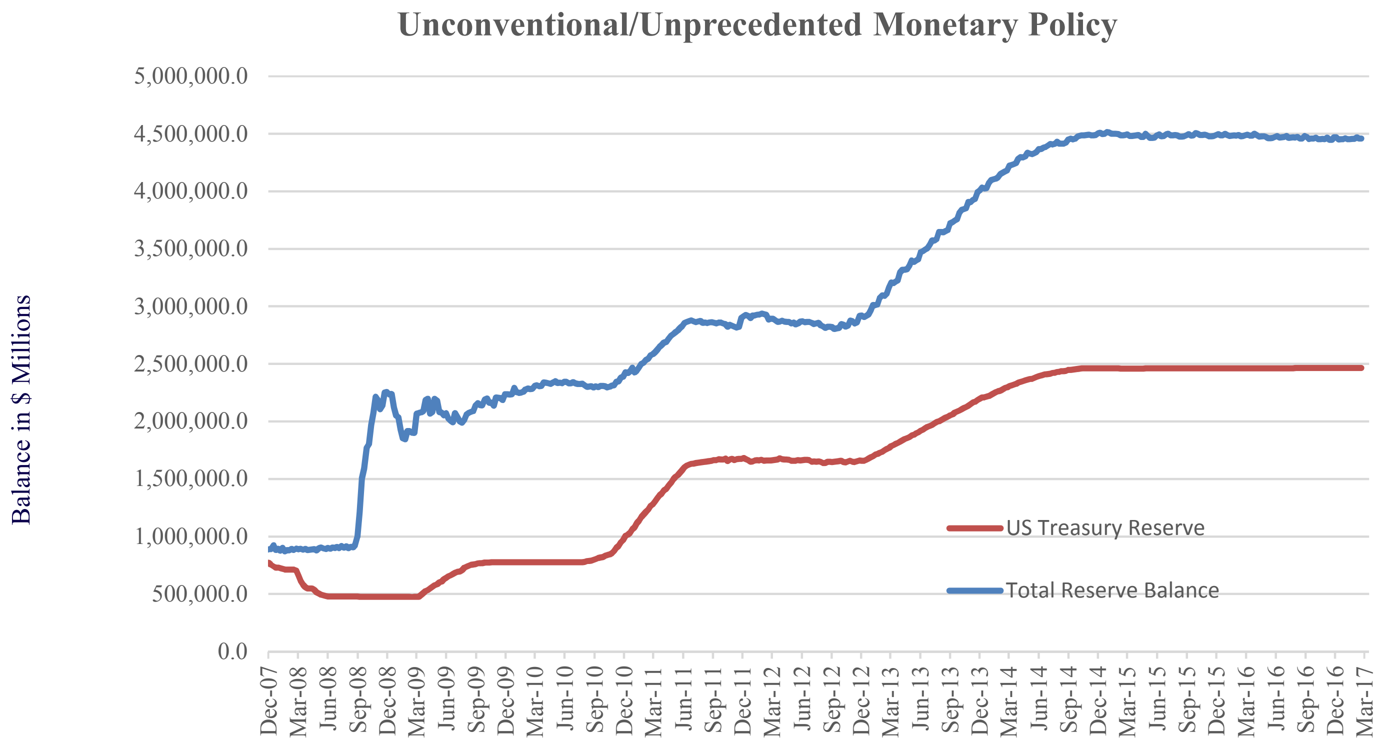
- At least some research argues for keeping policy targeted to overshoot the inflation target to further accelerate the speed of recovery/removal of any slack which may have been accomplished by yearend 2016 through an "optimal" policy.
- "Overshooting" the inflation target could generate an even higher rate than 4%.



Source: "Is There a Case for Inflation Overshooting," Vasco Curdia, San Francisco Federal Reserve Bank Economic Letter. As of February 16, 2016

Opinion expressed herein contains forward looking assumptions, which may not materialize.

Monetary Policy Effectiveness



Source: Board of Governors of the Federal Reserve System (US)/FRED

Data as of March 15, 2017

- To combat the financial crisis and the Great Recession a variety of unconventional measures, including both credit extensions and asset purchases were implemented. These measures drove the Federal Funds Rate to its Zero Lower Bound (ZLB) and kept it there.

Dawn of Increased Fed Policy and Bond Price Volatility

- Fed tightening (even in small increments) may have **double the impact** of policy changes during previous periods of conventional policy implementation.

- Research, as illustrated in the table below, suggests a potentially more damaging impact on fixed income markets today than during prior conventional policy periods when reducing the Fed's current balance sheet.

	Units	Normal Monetary Policy	Unconventional Monetary Policy
Shadow Short Rate	Basis Points	100	100
10 Year Treasury Rate	Basis Points	44	89
Corporate Bond Prices	Percentage	-2.4%	-5.6%

Normal Monetary Policy: February 1, 1996 to September 12, 2008
Unconventional Monetary Policy: September 15, 2008 to April 16, 2014
Source: E. Claus, I. Claus and L. Krippner, "Asset Markets and Monetary Policy at the Zero Lower Bound," Discussion Paper Series, Reserve Bank of New Zealand, July 2014

Our Discipline: Rates Reflect the Fundamentals

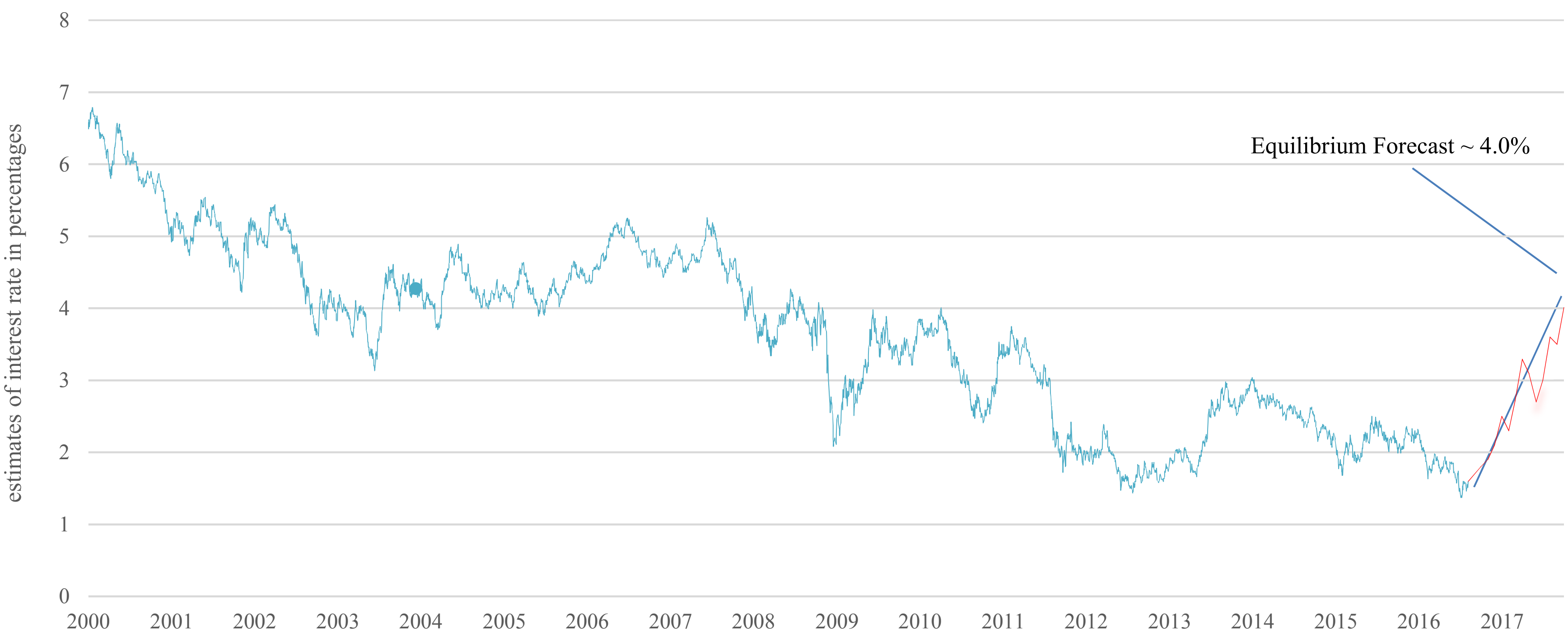
- Nominal Yields = Real Return on Capital + Inflation Premium
- Real Return on Capital is determined by economic growth.
- Inflation premium is determined by investor's fears/expectations of future inflation.
- The fed can "control" very short rates but market forces – the fundamentals- take "control" at the 2 year maturity.
- Our fundamental discipline has evolved as ongoing - since 1970s - research has identified better proxies (dynamic fundamentally-driven model).

Source: Centre Asset Management, LLC. As of March 15, 2017

Centre Funds

Higher Rates Likely But Not Without Interruption – Our Monthly Review Timetable

US Treasury Bond 10-Year (%)



Sources: Thomson Reuters Datastream and Centre Asset Management, LLC

Opinions, estimates and projections in this report constitute the current judgment of the author as of March 15, 2017 and are subject to change. Dates range from 01/03/2000 through 09/30/2017.

Return to Normalcy

- At some point, we believe **the Fed will move further in 2017 to increase the target for the federal funds rate** to continue the "normalization" with the natural rate and the pace of inflation--at least two moves likely. If the policy moves are drawn out, investors will likely need to focus on tactical fixed income strategies to provide liquidity and help generate wealth in a volatile market.
- With growth potential at 2% and a 2% inflation target the 10-year Treasury should approach 4%. However, if changes in technology (productivity) and/or quality-adjusted labor force growth occur, potential growth could revert toward its historical rate, implying a higher real rate (natural rate) of interest for the economy.
- Likewise an "optimum" policy as advocated by some economists could produce above target inflation and higher yields.
- Fed tightening (even in small increments) may have **double the impact** on interest rates compared to policy changes during periods of conventional policy implementation.
- The components of our investment discipline – the **Interest Rate Scorecard**SM – focus these arguments.
- As a result, the Centre Active U.S. Treasury and Centre Active U.S. Tax Exempt Funds are designed through our proprietary duration management process to help **mitigate against the loss of value from rising rates and increase in fixed income volatility.**

Centre Funds

Disclosures

The statements and opinions expressed are those of T. Kirkham (Kirk) Barneby and are as of the date of this brochure. All information is historical and not indicative of future results and subject to change. Reader should not assume that an investment in the securities mentioned was or would be profitable in the future. This information is not a recommendation to buy or sell. Past performance does not guarantee future results. Diversification does not eliminate the risk of experiencing investment loss.

Investors should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. To obtain a prospectus containing this and other most current information regarding the fund, please go to our website www.centrefunds.com or call 1-855-298-4236. Read the prospectus carefully before you invest.

Important Risk Disclosure: There is no assurance that this investment philosophy will consistently lead to successful investing. An Investment in the Funds involves risk, including loss of principal. Fixed income securities are subject to repayment risk and the risk of price volatility due to interest rate sensitivity, market perception of the issuer's creditworthiness and general market conditions. As interest rates rise, the value of fixed income securities typically declines. TIPS are long-duration assets, sensitive to changes in interest rates and, in the short term, can experience substantial fluctuations in price. Centre Active U.S. Treasury Fund is distributed by ALPS Distributors, Inc. Centre Asset Management, LLC and ALPS Distributors, Inc. are not affiliated.

T. Kirkham (Kirk) Barneby is a registered representative of ALPS Distributors Inc.

Definitions

1) **Bullish –** Bull markets are characterized by optimism, investor confidence and expectations that strong results will continue.
2) **Bearish –** Bear markets are characterized by pessimism, investor uncertainty and expectations that weak results will continue.
3) **Bloomberg Barclays U.S. Treasury Index –** The index comprises public obligations of the US Treasury with remaining maturities of one year or more.
4) **Nominal Yield –** The coupon rate of a bond. The nominal yield is the interest rate that the bond issuer promises to pay the bondholders.
5) **Treasury Yield –** The nominal yield of US Treasury securities.
6) **GDP –** Gross domestic product.
7) **Fed –** Federal Reserve.
8) **Laubach-Williams interest rate** – Laubach-Williams refers to Thomas Laubach and John Williams, authors of one of the first papers on estimating the natural rate of interest. The L-W Natural Interest Rates are their estimates updated and maintained at the San Francisco Federal Reserve Bank.
9) **Curdia Natural interest rate** – Natural interest rate estimated by Vasco Curdia.
10) **Return on capital –** A measure of the return an investment generates for capital contributors, i.e. bondholders and stockholders.
11) **Shadow short rate –** An interest rate estimate obtained from the yield curve model as an alternative monetary policy measure.
12) **Basis point –** One hundredth of one percent.
13) **Weighted average maturity** – The weighted average amount of time until maturities in a pool of debt securities.
14) **Inflation premium** – The part of interest rate that results from lenders compensating for expected inflation by pushing nominal interest rate higher.
15) **Hornstein-Kudlyak-Lange Non-Employment Index (NEI) –** The index was developed by the economists Andreas Hornstein, Marianna Kudlyak and Fabian Lange. It reflects the likelihood that individuals will become job seekers and is published monthly at the Federal Reserve Bank of Richmond.
16) **Taylor Rule –** A model used to forecast interest rates. Created by famed economist John Taylor in 1992, it suggests how the central bank should change interest rates to account for inflation and other economic conditions.

DRX000620 Exp. 03/16/2018