



**Annual Report to Shareholders**

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**

**For the Year Ended December 31, 2016**

Dear REMS Real Estate Value-Opportunity Fund Investors:

Despite a year full of unexpected events, public real estate produced solid returns in 2016. The first quarter of 2016 began with a sharp selloff in the financial markets followed by a new cyclical recovery and higher public real estate share prices, then BREXIT, the US Presidential election and a 100 basis point increase in the Ten Year Treasury rate. By the fourth quarter of 2016, the consensus view toward commercial real estate had reversed to negative and REIT indices and ETFs were down over 15% from their early August peak, followed by an exuberant post-election rally. Despite all the market and political volatility, the NAREIT Equity REIT Index returned 8.5% for the year, outperforming investment grade bonds by a wide margin.

REMS Real Estate Value-Opportunity Fund's ("REMS") Institutional Class returned 9.9% in 2016, compared to the 8.5% produced by the NAREIT Equity REIT Index. Some of the best performing holdings were in the industrial and office sectors which enjoyed positive rental growth and modest new supply. We also had success in specialty sectors including lab science, REIT preferreds, and commercial mortgage REITs with most of our outsized returns represented in the top 10 portfolio positions after a multi-year holding period. In 2016 REMS increased its program to recycle long held real estate positions that reached a more mature valuation, moving this capital to cash for reinvestment.

Detractors to portfolio performance included modest negative returns in selected individual retail positions, where pressure from the growth of on-line shopping have both retailers and retail landlords rethinking bricks-and-mortar strategies. Only the real estate operating sector produced negative returns, most of which was associated with one investment in the health care sector where our analysis was early in judging the timing of a transition process. REMS continued to add to this position and recently the company was subsequently reported to be in possible merger discussions, which has resulted in an increase in the share price. REMS held a small weight in varying short positions during the year as a hedge against valuations and selected supply concerns which as a group produced slightly negative total returns.

2016 was not a year where market forecasts were useful and it is unlikely that forecasts for 2017 will prove any more valuable. Where the outlook does have some clarity is in private commercial real estate economics which remain positive with buildings full, pricing stable and rents rising. The key for 2017 and even into 2018 is economic driven demand which continues to absorb moderate new supply and more than offsets the current interest rate environment. This suggests continued ample capital flows to private commercial real estate and relatively stable real estate prices. In the public markets, REIT indices and ETFs are generally fairly priced so there may be continued volatility around short term interest rate movements. REMS remains focused on targeting selected public market mispricing of special situations and real estate values outside the mainstream REIT market.

Our current focus is on real estate value opportunities emerging over the maturing real estate cycle and this more concentrated Real Estate Value-Opportunity Fund is

likely to have little correlation to REIT index and ETF performance over short to intermediate time frames. As has occurred in past cycles, specific events such as M&A, privatization, capital asset restructuring or liquidation may be a primary driver of returns in these special situations due to wide gaps between private market real estate values and public share prices of REMS' targeted positions.

As always, we thank you for your investment in the Fund.

Sincerely,

Edward W. Turville, CFA  
Managing Director

John E. Webster  
President

## **Important Disclosure Statements**

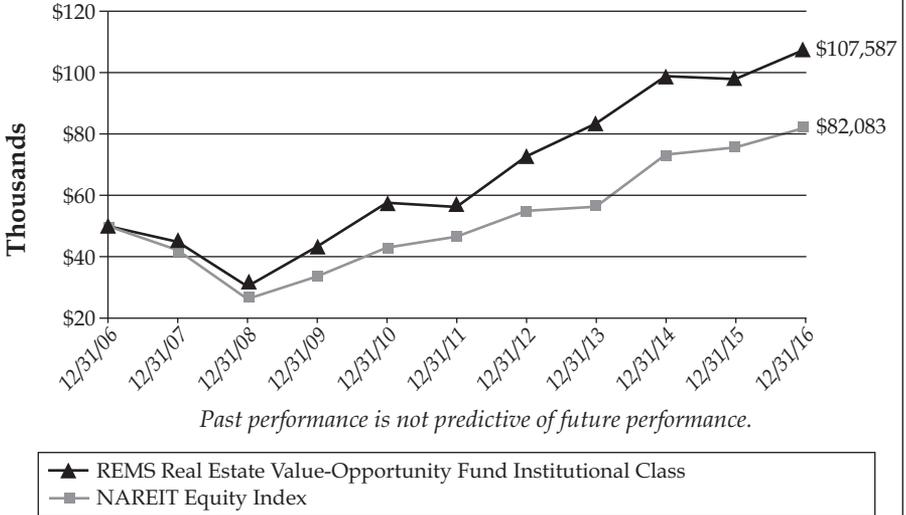
*The Fund's prospectus contains important information about the Fund's investment objectives, potential risks, management fees, charges and expenses, and other information and should be read and considered carefully before investing. The Fund's past performance does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. You may obtain a current copy of the Fund's prospectus by calling 1-800-673-0550. Distributed by First Dominion Capital Corp., Richmond, VA.*

*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 1-800-673-0550.*

*Information provided with respect to the Fund's Portfolio Holdings, Sector Weightings, Number of Holdings and Expense Ratios are as of December 31, 2016 and are subject to change at any time.*

*The opinions presented in this document are those of the portfolio manager as of the date of this report and may change at any time. Information contained in this document was obtained from sources deemed to be reliable, but no guarantee is made as to the accuracy of such information. Nothing presented in this document may be construed as an offer to purchase or sell any security.*

**COMPARISON OF \$50,000 INVESTMENT IN REMS REAL ESTATE  
VALUE-OPPORTUNITY FUND INSTITUTIONAL CLASS SHARES  
VS. NAREIT EQUITY INDEX**



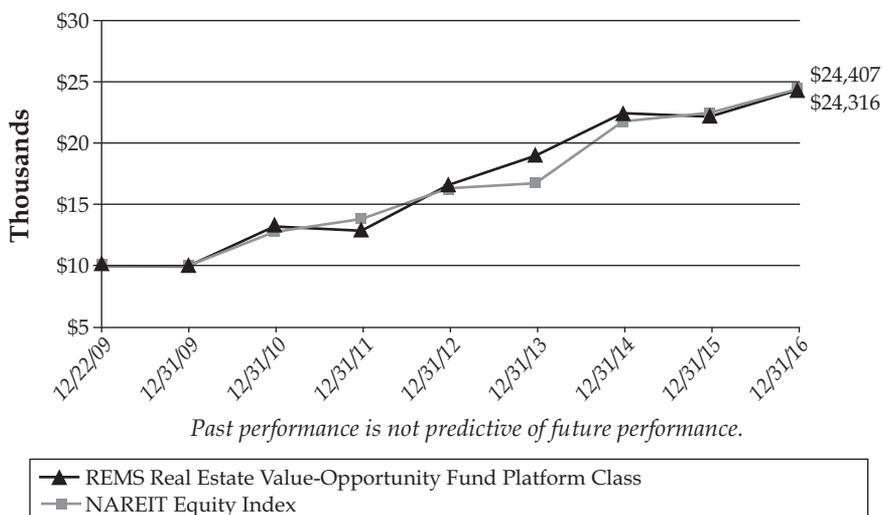
	<b>Total Return One Year Ended <u>12/31/2016*</u></b>	<b>Average Annual Return* Five Years Ended <u>12/31/2016*</u></b>	<b>Ten Years Ended <u>12/31/2016*</u></b>
REMS Real Estate Value- Opportunity Fund	9.89%	13.85%	7.96%
NAREIT Equity Index	8.52%	12.01%	5.08%

\* The total return shown does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares

The NAREIT Equity Index is a free float adjusted market capitalization weighted index that includes all tax qualified REITs listed in the NYSE, AMEX, and NASDAQ National Market.

(The comparative index is not adjusted to reflect expenses that the SEC requires to be reflected in the Fund's performance.)

**COMPARISON OF \$10,000 INVESTMENT IN  
REMS REAL ESTATE VALUE-OPPORTUNITY FUND PLATFORM  
CLASS SHARES VS. NAREIT EQUITY INDEX**



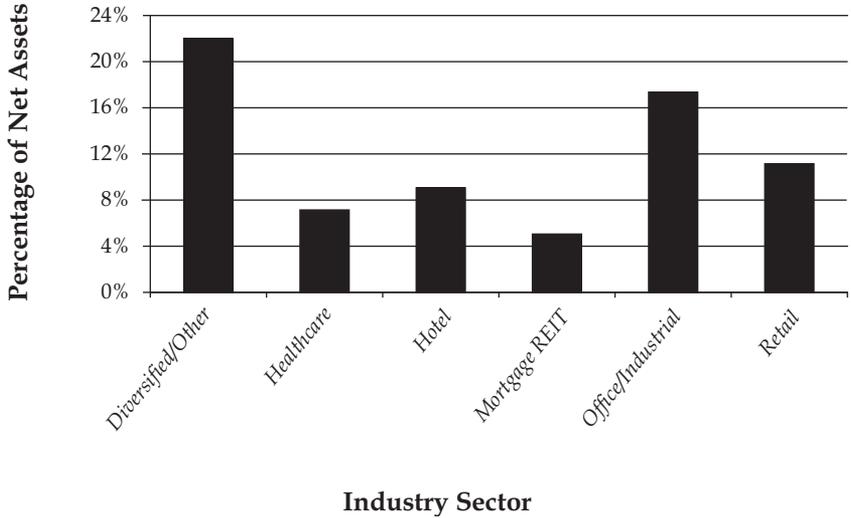
	Average Annual Return*	
	Total Return	Average Annual Return*
	One Year Ended 12/31/2016*	Five Years Ended 12/31/2016*      Since Inception 12/22/2009 to 12/31/2016
REMS Real Estate Value- Opportunity Fund	9.62%	13.56%      13.47%
NAREIT Equity Index	8.52%	12.01%      13.53%

\* The total return shown does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares

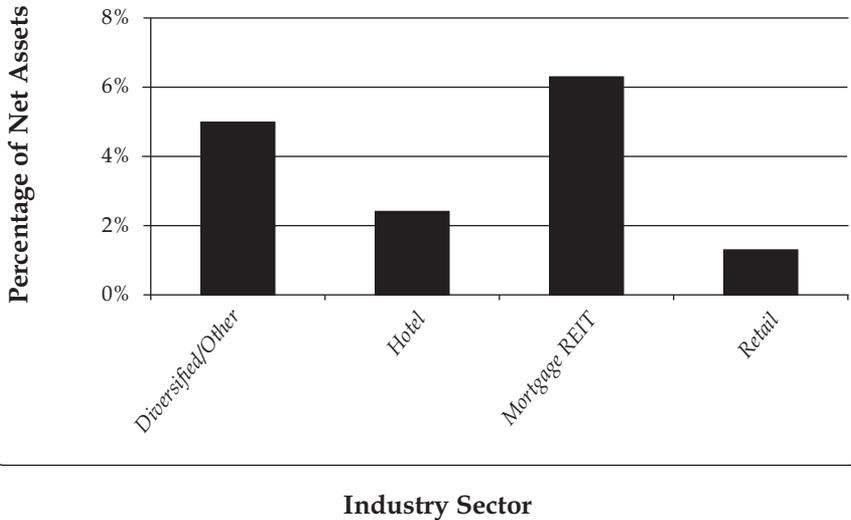
The NAREIT Equity Index is a free float adjusted market capitalization weighted index that includes all tax qualified REITs listed in the NYSE, AMEX, and NASDAQ National Market.

(The comparative index is not adjusted to reflect expenses that the SEC requires to be reflected in the Fund's performance.)

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND  
COMMON STOCK HOLDINGS BY INDUSTRY CATEGORY AS  
PERCENTAGE OF NET ASSETS  
AS OF DECEMBER 31, 2016 (unaudited)**



**REMS REAL ESTATE VALUE-OPPORTUNITY FUND  
PREFERRED STOCK HOLDINGS BY INDUSTRY SECTOR AS  
PERCENTAGE OF NET ASSETS  
AS OF DECEMBER 31, 2016 (unaudited)**



**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**SCHEDULE OF INVESTMENTS**  
December 31, 2016

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 71.79%</b>		
<b>DIVERSIFIED/OTHER – 22.01%</b>		
Forest City Enterprise, Inc. , Class A	282,100	\$ 5,878,964
I Star Financial Inc. <sup>(a)</sup>	1,053,655	13,033,712
Kennedy Wilson Holdings Inc.**	650,500	13,335,250
Rayonier, Inc.	316,900	8,429,540
VEREIT, Inc.	1,364,600	11,544,516
Vornado Realty Trust	100,500	<u>10,489,185</u>
		<u>62,711,167</u>
<b>HEALTHCARE – 7.15%</b>		
Alexandria Real Estate Equities, Inc.	78,700	8,745,931
Brookdale Senior Living Inc.	934,500	<u>11,606,490</u>
		<u>20,352,421</u>
<b>HOTEL – 9.06%</b>		
Felcor Lodging Trust Inc.	1,604,800	12,854,448
Hersha Hospitality Trust	603,099	<u>12,966,629</u>
		<u>25,821,077</u>
<b>MORTGAGE REIT – 5.06%</b>		
Colony Financial Inc.**	711,900	<u>14,415,975</u>
<b>OFFICE/INDUSTRIAL – 17.36%</b>		
Brandwine Realty Trust	775,700	12,806,807
Cousins Property	629,500	5,357,045
Empire State Realty Trust Inc “A”	570,400	11,516,376
Liberty Property Trust**	306,700	12,114,650
New York REIT, Inc.	757,000	<u>7,660,840</u>
		<u>49,455,718</u>
<b>RETAIL – 11.15%</b>		
Brixmor Property Group, Inc.	55,500	1,355,310
Developers Diversified Realty Corp.	401,700	6,133,959
Kite Realty Group Trust**	503,398	11,819,785
Washington Prime Group	1,197,400	<u>12,464,934</u>
		<u>31,773,988</u>
<b>TOTAL COMMON STOCKS</b>		
<b>(Cost: \$178,448,931)</b>		<u>204,530,346</u>

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**SCHEDULE OF INVESTMENTS – continued**  
December 31, 2016

	Shares	Fair Value
<b>PREFERRED STOCK – 15.00%</b>		
<b>DIVERSIFIED/OTHER – 4.99%</b>		
ISTAR Financial Inc, Series G, 7.650%	39,856	\$ 956,544
ISTAR Financial Inc, Series I, 7.500%**	357,651	8,583,624
Vereit, Inc., Series F, 6.750%	184,800	<u>4,673,592</u>
		<u>14,213,760</u>
<b>HOTEL – 2.41%</b>		
Felcor Lodging Trust Inc., Series A, 1.950%	275,500	<u>6,862,705</u>
<b>MORTGAGE REIT – 6.30%</b>		
Colony Capital Inc., Series C, 7.125%**	363,100	8,460,230
Resource Capital Corp., Series A, 8.500%	1,440	34,504
Resource Capital Corp., Series B, 8.250%**	365,500	8,205,475
Resource Capital Corp., Series C, 8.625%	54,452	<u>1,252,396</u>
		<u>17,952,605</u>
<b>RETAIL – 1.30%</b>		
CBL & Associates Properties, Inc., Series D, 7.375%	150,900	<u>3,689,505</u>
<b>TOTAL PREFERRED STOCKS</b>		
<b>(Cost: \$37,785,503)</b>		<u>42,718,575</u>
<b>TOTAL LONG POSITIONS – 86.79%</b>		
<b>(Cost: \$216,234,434)</b>		<u>247,248,921</u>
<b>MONEY MARKET – 11.43%</b>		
Money Market Fiduciary, 0.00274%*	32,553,289	<u>32,553,289</u>
<b>(Cost: \$32,553,289)</b>		
<b>NET INVESTMENTS IN SECURITIES – 98.22%</b>		
<b>(Cost: \$248,787,723)</b>		<b>279,802,210</b>
Other assets, net of liabilities – 1.78%		<u>5,074,515</u>
<b>NET ASSETS – 100.00%</b>		<u><u>\$284,876,725</u></u>

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**SCHEDULE OF INVESTMENTS - continued**  
December 31, 2016

	<b>Shares</b>	<b>Fair Value</b>
<b>SECURITIES SOLD SHORT</b>		
<b>COMMON STOCK - (1.71)%</b>		
<b>HOTEL - (0.58)%</b>		
Hyatt Hotels Corp.	(29,700)	
(Premiums received: \$(1,504,238))		<u>\$(1,641,222)</u>
<b>EXCHANGE TRADED FUNDS - (1.13)%</b>		
Vanguard REIT ETF	(39,000)	
(Premiums received: \$(3,547,213))		<u>(3,218,670)</u>
<b>TOTAL COMMON STOCKS SOLD SHORT</b>		<b><u>\$(4,859,892)</u></b>
(Premiums received: \$5,051,451)		

\* Effective 7 day yield as of December 31, 2016.

\*\* All or a portion of position is segregated as collateral for securities sold short. The segregated market value of collateral is \$58,400,932.

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

See Notes to Financial Statements

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**December 31, 2016**

---

**ASSETS**

Investments at fair value (identified cost of \$248,787,723) (Note 1)	\$279,802,210
Deposits with brokers for securities sold short	4,686,724
Receivable for securities sold	6,287,329
Dividends and interest receivable	1,288,119
Receivable for capital stock sold	898,342
Prepaid expenses	57,950
<b>TOTAL ASSETS</b>	<u><u>293,020,674</u></u>

**LIABILITIES**

Payable for securities purchased	1,920,979
Payable for capital stock redeemed	1,106,019
Accrued interest payable	5,338
Securities sold short at fair value (premiums received \$5,051,451)	4,859,892
Accrued investment management fees	223,478
Accrued 12b-1 fees	4,036
Accrued administration, transfer agency and accounting fees	8,823
Other accrued expenses	15,384
<b>TOTAL LIABILITIES</b>	<u><u>8,143,949</u></u>

**NET ASSETS**

\$284,876,725

**Net Assets Consist of:**

Paid-in-capital applicable to 18,800,234 no par value shares of beneficial interest outstanding, unlimited shares authorized	\$246,966,680
Accumulated net realized gain (loss) on investments and securities sold short	6,703,999
Accumulated net unrealized appreciation (depreciation) on investments and securities sold short	31,206,046

**Net Assets**

\$284,876,725

**NET ASSET VALUE PER SHARE**

**Institutional Class Shares:**

Net Assets	\$259,802,742
Shares Outstanding (Unlimited number of shares authorized without par value)	17,129,821
Net Asset Value, Offering and Redemption Price Per Share	<u><u>\$ 15.17</u></u>

**Platform Class Shares:**

Net Assets	\$ 25,073,983
Shares Outstanding (Unlimited number of shares authorized without par value)	1,670,413
Net Asset Value, Offering and Redemption Price Per Share	<u><u>\$ 15.01</u></u>

See Notes to Financial Statements

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**STATEMENT OF OPERATIONS**  
**December 31, 2016**

---

**INVESTMENT INCOME**

Dividends	\$ 7,926,826
Interest	3,905
Total investment income	<u>7,930,731</u>

**EXPENSES**

Investment management fees (Note 2)	3,537,511
12b-1 fees, Platform Class (Note 2)	68,344
Recordkeeping and administrative services (Note 2)	62,123
Accounting fees (Note 2)	72,744
Custodian fees	31,036
Transfer agent fees (Note 2)	73,006
Professional fees	83,294
Filing and registration fees	91,661
Trustees fees	6,019
Compliance fees	9,701
Shareholder reporting (Note 2)	30,325
Shareholder servicing	386,695
Dividend expense	256,669
Interest expense (Note 7)	220,225
Other	<u>70,898</u>
Total expenses	5,000,251
Fee waivers and reimbursed expenses (Note 2)	<u>(29,628)</u>
Net expenses	<u>4,970,623</u>
Net investment income (loss)	<u>2,960,108</u>

**REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS**

Net realized gain (loss) on investments	47,498,254
Net realized gain (loss) on short positions	106,825
Net increase (decrease) in unrealized appreciation (depreciation) of investments	(17,675,923)
Net increase (decrease) in unrealized appreciation (depreciation) of securities sold short	<u>191,559</u>
Net realized and unrealized gain (loss) on investments	<u>30,120,715</u>

**INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS**

**\$ 33,080,823**

See Notes to Financial Statements

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<u>Year ended</u> <u>December 31, 2016</u>	<u>Year ended</u> <u>December 31, 2015</u>
<b>Increase (decrease) in Net Assets</b>		
<b>OPERATIONS</b>		
Net investment income (loss)	\$ 2,960,108	\$ 2,580,386
Net realized gain (loss) on investments, securities sold short and foreign currency transactions	47,605,079	36,758,010
Net increase (decrease) in unrealized appreciation (depreciation) of investments, securities sold short and foreign currencies	<u>(17,484,364)</u>	<u>(43,521,467)</u>
Increase (decrease) in net assets from operations	<u>33,080,823</u>	<u>(4,183,071)</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Net investment income		
Institutional Class	(2,799,116)	(2,508,277)
Platform Class	(160,992)	(159,169)
Realized gains		
Institutional Class	(38,229,206)	(31,837,684)
Platform Class	<u>(3,376,648)</u>	<u>(3,295,720)</u>
Decrease in net assets from distributions	<u>(44,565,962)</u>	<u>(37,800,850)</u>
<b>CAPITAL STOCK TRANSACTIONS (Note 5)</b>		
Shares sold		
Institutional Class	79,554,771	107,384,311
Platform Class	5,291,835	16,900,920
Distributions reinvested		
Institutional Class	30,519,195	25,536,445
Platform Class	3,324,226	3,269,719
Shares redeemed		
Institutional Class	(196,429,095)	(157,736,954)
Platform Class	<u>(18,958,357)</u>	<u>(17,720,269)</u>
Increase (decrease) in net assets from capital stock transactions	<u>(96,697,425)</u>	<u>(22,365,828)</u>
<b>NET ASSETS</b>		
Increase (decrease) during year	(108,182,564)	(64,349,749)
Beginning of year	<u>393,059,289</u>	<u>457,409,038</u>
End of year*	<u>\$ 284,876,725</u>	<u>\$ 393,059,289</u>
*Includes undistributed net investment income (loss) of:	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**STATEMENT OF CASH FLOWS**  
**December 31, 2016**

---

**Increase (Decrease) in Cash**

Cash flows from operation activities:

Net increase (decrease) in net assets from operations	\$ 33,080,823
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash used in operating activities:	
Purchase of investment securities	(107,618,504)
Proceeds from disposition of investment securities	264,585,846
Proceeds from short sales	74,700,699
Closed short transactions	(69,542,393)
Decrease (increase) in deposits with brokers for securities sold short	(4,686,724)
Sale of short term securities, net	
Purchases from disposition of short-term securities, net	(22,521,258)
Decrease (increase) in receivables for securities sold	(2,901,774)
Decrease (increase) in receivable from broker	
Decrease (increase) in dividends and interest receivable	582,140
Decrease (increase) in prepaid assets	41,788
Increase (decrease) in payable for securities purchased	(358,878)
Increase (decrease) in interest payable	5,338
Increase (decrease) in accrued management fees	(118,185)
Increase (decrease) in other accrued expense	(17,116)
Unrealized appreciation on investments and securities sold short	17,484,364
Net realized gain from investments (net of \$3,039,555 of capital gain distributions)	(44,565,553)
Return of capital dividends received	2,195,235
Net cash provided by operating activities	<u>140,345,848</u>

Cash flows from financing activities:

Proceeds from shares sold	85,415,865
Payments on shares redeemed	(215,075,792)
Cash distributions paid	<u>(10,722,541)</u>
Net cash used in financing activities	<u>(140,382,468)</u>

Net increase (decrease) in cash (36,620)

Cash:

Beginning balance	<u>36,620</u>
Ending balance	<u>\$ -</u>

**Supplemental Disclosure of Cash Flow Information**

Non-cash financing activities not included herein consist of reinvestment of dividend distributions	<u>\$ 33,843,421</u>
Cash financing activities not included herein consist of interest paid	<u>\$ 214,887</u>

See Notes to Financial Statements

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**FINANCIAL HIGHLIGHTS**  
**SELECTED PER SHARE DATA THROUGHOUT EACH YEAR**

	Institutional Class Shares <sup>(1)</sup>				
	Years Ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of year</b>	<b>\$ 16.01</b>	<b>\$ 17.79</b>	<b>\$ 15.53</b>	<b>\$ 14.24</b>	<b>\$ 11.38</b>
Investment activities					
Net investment income (loss)	0.14	0.11	0.11	0.12	0.09
Net realized and unrealized gain (loss) on investments	1.44	(0.27)	2.74	1.97	3.21
<b>Total from investment activities</b>	<b>1.58</b>	<b>(0.16)</b>	<b>2.85</b>	<b>2.09</b>	<b>3.30</b>
<b>Distributions</b>					
Net investment income	(0.15)	(0.11)	(0.12)	(0.11)	(0.09)
Realized gains	(2.27)	(1.51)	(0.47)	(0.69)	-
Return of capital	-	-	-	-	(0.35)
<b>Total distributions</b>	<b>(2.42)</b>	<b>(1.62)</b>	<b>(0.59)</b>	<b>(0.80)</b>	<b>(0.44)</b>
<b>Net asset value, end of year</b>	<b>\$ 15.17</b>	<b>\$ 16.01</b>	<b>\$ 17.79</b>	<b>\$ 15.53</b>	<b>\$ 14.24</b>
<b>Total Return</b>	<b>9.89%</b>	<b>(0.95%)</b>	<b>18.48%</b>	<b>14.75%</b>	<b>29.29%</b>
<b>Ratios/Supplemental Data</b>					
Ratio to average net assets					
Expenses, gross <sup>(A)</sup>	1.40%	1.41%	1.36%	1.45%	1.74%
Expenses, net of fees paid indirectly/ before waiver or recovery	1.40%	1.41%	1.36%	1.44%	1.70%
Expenses, net of fees paid indirectly and waiver or recovery	1.39%	1.41%	1.36%	1.44%	1.70%
Net investment income	0.86%	0.63%	0.67%	0.75%	0.69%
Portfolio turnover rate	34.05%	50.77%	42.46%	40.88%	43.19%
Net assets, end of year (000's)	\$259,803	\$356,188	\$418,902	\$288,683	\$153,557

<sup>(1)</sup> Per share amounts calculated using the average number of shares outstanding throughout the year.

<sup>(A)</sup> Gross expense ratio reflects the effect of interest and dividend expense which are excluded from the Fund's expense limitation agreement.

See Notes to Financial Statements

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**FINANCIAL HIGHLIGHTS**  
**SELECTED PER SHARE DATA THROUGHOUT EACH YEAR**

	Platform Class Shares <sup>(1)</sup>				
	Year ended December 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of year</b>	<b>\$ 15.86</b>	<b>\$ 17.64</b>	<b>\$ 15.40</b>	<b>\$ 14.13</b>	<b>\$ 11.29</b>
Investment activities					
Net investment income	0.10	0.07	0.07	0.08	0.06
Net realized and unrealized gain on investments	<u>1.42</u>	<u>(0.27)</u>	<u>2.71</u>	<u>1.95</u>	<u>3.18</u>
<b>Total from investment activities</b>	<b><u>1.52</u></b>	<b><u>(0.20)</u></b>	<b><u>2.78</u></b>	<b><u>2.03</u></b>	<b><u>3.24</u></b>
<b>Distributions</b>					
Net investment income	(0.10)	(0.07)	(0.09)	(0.07)	(0.05)
Realized gains	(2.27)	(1.51)	(0.45)	(0.69)	
Return of capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.35)</u>
Total distributions	<u>(2.38)</u>	<u>(1.58)</u>	<u>(0.54)</u>	<u>(0.76)</u>	<u>(0.40)</u>
<b>Net asset value, end of year</b>	<b><u>\$ 15.01</u></b>	<b><u>\$ 15.86</u></b>	<b><u>\$ 17.64</u></b>	<b><u>\$ 15.40</u></b>	<b><u>\$ 14.13</u></b>
<b>Total Return</b>	<b>9.62%</b>	<b>(1.22)%</b>	<b>18.17%</b>	<b>14.42%</b>	<b>28.98%</b>
<b>Ratios/Supplemental Data</b>					
Ratio to average net assets					
Expenses, gross <sup>(A)</sup>	1.65%	1.66%	1.61%	1.70%	1.99%
Expenses, net of fees paid indirectly/ before waiver or recovery	1.65%	1.66%	1.61%	1.69%	1.95%
Expenses, net of fees paid indirectly and waiver or recovery	1.64%	1.66%	1.61%	1.69%	1.95%
Net investment income	0.61%	0.38%	0.42%	0.50%	0.44%
Portfolio turnover rate	34.05%	50.77%	42.46%	40.88%	43.19%
Net assets, end of year (000's)	\$ 25,074	\$ 36,871	\$ 38,509	\$ 34,637	\$ 4,163

<sup>(1)</sup> Per share amounts calculated using the average number of shares outstanding throughout the year.

<sup>(A)</sup> Gross expense ratio reflects the effect of interest and dividend expense which are excluded from the Fund's expense limitation agreement.

See Notes to Financial Statements

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The REMS Real Estate Value-Opportunity Fund (the "Fund") is a non-diversified series of the World Funds Trust (the "Trust") which was organized as a Delaware statutory trust and is registered under The Investment Company Act of 1940, as amended, as an open-end management company. The Fund was established in December, 2002 originally as a series of Hillview Investment Trust II. Effective November 23, 2005, the Fund was reorganized as a series of The World Funds, Inc. ("TWF"). On August 15, 2014, the Fund was reorganized from TWF into the Trust. The Fund maintains its financial statements, information and performance history in accordance with the reorganizations. The Fund currently offers the Institutional and Platform Shares.

The investment objective of the Fund is to achieve long-term capital growth and current income through a portfolio of publicly traded real estate securities that may include equity REITs, mortgage REITs, REIT preferreds and other publicly traded companies whose primary business is in the real estate industry.

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

### Security Valuation

The Fund's securities are valued at fair value. Investments in securities traded on the national securities exchanges or included in the NASDAQ National Market System are valued at the last reported sale price. Other securities traded in the over-the-counter market and listed securities for which no sales are reported on a given date are valued at the last reported bid price. Short-term debt securities (less than 60 days to maturity) are valued at their fair market value using amortized cost. Other assets for which market prices are not readily available are valued at their fair value as determined in good faith under procedures set by the Board of Trustees (the "Board"). Generally, trading in corporate bonds, U.S. government securities and money market instruments is substantially completed each day at various times before the scheduled close of the New York Stock Exchange ("NYSE"). The value of these securities used in computing the NAV is determined as of such times.

The Fund has a policy that contemplates the use of fair value pricing to determine the NAV per share of the Fund when market prices are unavailable as well as under special circumstances, such as: (i) if the primary market for a portfolio security suspends or limits trading or price movements of the security; and (ii) when an event occurs after the close of the exchange on which a portfolio security is principally traded that is likely to have changed the value of the security. Since most of the Fund's investments

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**December 31, 2016**

are in U.S. equity securities traded on U.S. securities exchanges, it is anticipated that the use of fair value pricing will be limited.

When the Fund uses fair value pricing to determine the NAV per share of the Fund, securities will not be priced on the basis of quotations from the primary market in which they are traded, but rather may be priced by another method that the Board believes accurately reflects fair value. Any method used will be approved by the Board and results will be monitored to evaluate accuracy. The Fund's policy is intended to result in a calculation of the Fund's NAV that fairly reflects security values as of the time of pricing. However, fair values determined pursuant to the Fund's procedures may not accurately reflect the price that the Fund could obtain for a security if it were to dispose of that security as of the time of pricing.

The Fund has adopted fair valuation accounting standards that 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 used to develop the measurements of fair value. These inputs are summarized in the three broad levels listed below.

Various inputs are used in determining the value of a Fund's investments. GAAP established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments).

The inputs or methodology used for valuing securities are not necessarily 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 investments as of December 31, 2016:

	<b>Level 1 Quoted Prices</b>	<b>Level 2 Other Significant Observable Inputs</b>	<b>Level 3 Significant Unobservable Inputs</b>	<b>Total</b>
Common Stocks/ Preferred Stocks	\$247,248,921	\$-	\$-	\$247,248,921
Money Market	<u>32,553,289</u>	<u>-</u>	<u>-</u>	<u>32,553,289</u>
	<u>\$279,802,210</u>	<u>\$-</u>	<u>\$-</u>	<u>\$279,802,210</u>
Securities Sold Short	<u>\$ (4,859,892)</u>	<u>\$-</u>	<u>\$-</u>	<u>\$ (4,859,892)</u>

Refer to the Fund's Schedule of Investments for a listing of the securities by type and industry.

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**December 31, 2016**

---

There were no transfers into or out of any levels during the year ended December 31, 2016. The Fund recognizes transfers between fair value hierarchy levels at the end of the reporting period. The Fund held no Level 3 securities at any time during the year ended December 31, 2016.

**Security Transactions and Income**

Security transactions are accounted for on the trade date. The cost of securities sold is determined generally on a specific identification basis. Realized gains and losses from security transactions are determined on the basis of identified cost for book and tax purposes. Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis.

The Fund uses a major financial institution as its prime broker to process securities transactions and to provide custodial and other services. Any cash balances include amounts of "restricted cash" consisting of proceeds from securities sold, not yet purchased. Cash balances maintained in the custody of the prime broker bear interest based on the prime rate. The Fund also borrows on margin for security purchases.

Securities are held as collateral by the prime broker against margin obligations. The clearance agreements permit the prime broker to pledge or otherwise hypothecate the Fund's investment securities subject to certain limitations. The prime broker may also sell such securities in limited instances where required collateral is not posted in a timely manner. These arrangements subject the Fund to concentration of credit risk with respect to the prime broker.

**Accounting Estimates**

In preparing financial statements in conformity with GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Federal Income Taxes**

The Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. The Fund also intends to distribute sufficient net investment income and net capital gains, if any, so that it will not be subject to excise tax on undistributed income and gains. Therefore, no federal income tax or excise provision is required.

Management has reviewed the Fund's tax positions for each of the open tax years (2013-2015) and expected to be taken in the 2016 tax return, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax

positions taken in the Fund's tax returns. The Fund has no examinations in progress and management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change.

### **Reclassification of Capital Accounts**

GAAP requires that certain components of net assets 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, 2016, there were no such reclassifications.

### **Class Net Asset Values and Expenses**

All income, expenses not attributable to a particular class, and realized and unrealized gains or losses on investments, are allocated to each class based upon its relative net assets on a daily basis for purposes of determining the net asset value of each class. Certain shareholder servicing and distribution fees are allocated to the particular class to which they are attributable.

### **Currency Translation**

The market values of foreign securities, currency holdings, other assets and liabilities initially expressed in foreign currencies are recorded in the financial statements after translation to U.S. dollars based on the exchange rates at the end of the period. The cost of such holdings is determined using historical exchange rates. Income and expenses are translated at approximate rates prevailing when accrued or incurred. The Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included with the net realized and unrealized gains and losses from investments. Foreign securities and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin.

### **Real Estate Investment Trust Securities**

The Fund has made certain investments in real estate investment trusts ("REITs") which make distributions to their shareholders based upon available funds from operations. Each REIT reports annually the tax character of its distribution. Dividend income, capital gain distributions received, and unrealized appreciation (depreciation) reflect the amounts of taxable income, capital gain and return of capital reported by the REITs. It is common for these distributions to exceed the REIT's taxable earnings and profits resulting in the excess portion of such distributions being designated as a return of capital. The Fund intends to include the gross dividends from such REITs in its quarterly distributions to its shareholders and, accordingly, a portion of the Fund's distributions may also be designated as a return of capital. Management does not estimate the tax character of REIT distributions for which actual information has not been reported.

REMS REAL ESTATE VALUE-OPPORTUNITY FUND  
NOTES TO THE FINANCIAL STATEMENTS - continued  
December 31, 2016

---

### Short Sales

A short sale is a transaction in which the Fund sells a security it does not own in anticipation of a decline in market price. Currently, the Fund engages in selling securities short. To sell a security short, the Fund must borrow the security. The Fund's obligation to replace the security borrowed and sell short will be fully collateralized at all times by the proceeds from the short sale retained by the broker and cash securities deposited in a segregated account with the Fund's custodian. The Fund will incur a loss as a result of a short sale if the price of the borrowed security increases between the date of the short sale and the date on which the Fund buys and replaces such borrowed security. The Fund will realize a gain if there is a decline in price of the security between those dates where decline exceeds costs of the borrowing of the security and other transaction costs. There can be no assurance that the Fund will be able to close out a short position at any particular time or at an acceptable price. Although the Fund's gain is limited to the amount at which it sold a security short, its potential loss is unlimited in size. Until the Fund replaces a borrowed security, it will maintain at all times cash, U.S. Government securities, or other liquid securities in an amount which, when added to any amount deposited with a broker as collateral will at least equal the current market value of the security sold short. Any realized gain will be decreased, and any realized loss increased by the amount of transaction costs. As of December 31, 2016, the value of securities sold short against collateral was as follows:

<u>Securities Sold Short</u>	<u>Collateral of Cash and Securities</u>	<u>Segregated Cash of Collateral</u>	<u>Securities Held of Collateral</u>
\$4,859,892	\$63,087,656	\$4,686,724	\$58,400,932

The collateral includes the deposits with brokers for securities sold short and certain long-term investments held long as shown in the Schedule of Investments. For the year ended December 31, 2016, short debit fees associated with such transactions were \$220,225.

### NOTE 2 - INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Pursuant to an Investment Advisory Agreement, the Advisor, Real Estate Management Services Group ("REMS"), provides investment Advisory services for an annual fee of 1.00% of the average daily net assets of the Fund. In the interest of limiting the operating expenses of the Fund, REMS has contractually agreed to waive its fees and reimburse expenses, so that the annual fund operating expenses for the Fund do not exceed 1.25% of the Fund's average daily net assets until April 30, 2027. This limit does not apply to distribution fees pursuant to Rule 12b-1 Plans, brokerage commissions, taxes, interest, dividend expenses on short sales, acquired fund fees and expenses, other expenditures capitalized in accordance with generally accepted accounting principles or other extraordinary expenses not incurred in the ordinary course of business. The expense limitation agreement may only be terminated by the Board. The

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**December 31, 2016**

---

total amount of reimbursement recoverable by the Advisor is the sum of all fees previously waived or reimbursed by the Advisor to the Fund during any of the previous three (3) years, less any reimbursement previously paid. Each waiver or reimbursement of an expense by the Advisor is subject to repayment by the Fund with the three fiscal years following the fiscal year in which the expense was incurred, provided that the Fund is able to make the repayment without exceeding the expense limitation in place at the time of the waiver or reimbursement is recouped. The total amount of recoverable reimbursements as of December 31, 2016 was \$29,628 and expires December 31, 2019.

The Advisor received, waived, and reimbursed expenses for the year ended December 31, 2016 as follows:

<u>Management Fee Earned</u>	<u>Management Fee Waived</u>	<u>Expenses Reimbursed</u>
\$3,537,511	\$29,628	\$-

The Fund has adopted a Distribution Plan (the “Plan”) for Platform Shares (“Class P”) in accordance with Rule 12b-1 under the 1940 Act, providing for the payment of distribution and service fees to the distributor of the Fund. The Plan provides that the Fund will pay a fee to the Distributor at an annual rate of up to 0.25% of average daily net assets attributable to its Class P shares in consideration for distribution services and the assumption of related expenses, including the payment of commissions and transaction fees, in conjunction with the offering and sale of Class P shares for the year ended December 31, 2016, 12b-1 fees of \$68,344 were incurred.

For the year ended December 31, 2016, the following fees under the Plan were incurred:

<u>Class</u>	<u>Type of Plan</u>	<u>Fees Incurred</u>
Class P	12b-1	\$68,344

The Fund has adopted a shareholder service plan. Under a shareholder services plan, the Fund may pay an authorized firm up to 0.25% on an annualized basis of average daily net assets attributable to its customers who are shareholders. For this fee, the authorized firms may provide a variety of services, such as: 1) receiving and processing shareholder orders; 2) performing the accounting for the shareholder’s account; 3) maintaining retirement plan accounts; 4) answering questions and handling correspondence for individual accounts; 5) acting as the sole shareholder of record for individual shareholders; 6) issuing shareholder reports and transaction confirmations; 7) executing daily investment “sweep” functions; and 8) furnishing investment advisory services. For the year ended December 31, 2016, shareholder service fees of \$386,695 were incurred.

First Dominion Capital Corp. (“FDCC”) acts as the Fund’s principal underwriter in the continuous public offering of the Fund’s shares. For the year ended December 31, 2016, FDCC received \$24,000 for services relating to distribution.

REMS REAL ESTATE VALUE-OPPORTUNITY FUND  
NOTES TO THE FINANCIAL STATEMENTS - continued  
December 31, 2016

---

Commonwealth Fund Services, Inc. ("CFS") acts as the Fund's administrator, transfer and dividend disbursing agent and pricing agent. For the year ended December 31, 2016, the following fees were earned:

<u>Administration</u>	<u>Transfer Agent</u>	<u>Accounting</u>
\$62,123	\$73,006	\$72,744

Certain officers of the Trust are also officers and/or directors of FDCC and CFS. Additionally, John H. Lively of the The Law Offices of John H. Lively and Associates, Inc., a member of The 1940 Act Law Group™, serves as legal counsel to the Trust. John H. Lively, Secretary of the Trust, is the owner of the Law Offices of John H. Lively and Associates, Inc. Mr. Lively receives no special compensation from the Trust or the Fund for serving as an officer of the Trust.

### NOTE 3 - INVESTMENTS

The cost of purchases and the proceeds from sales of securities other than short-term notes for the year ended December 31, 2016 were as follows:

<u>Purchases</u>	<u>Sales</u>
\$107,618,504	\$264,585,846

These amounts do not include the following:

<u>Proceeds from short sales</u>	<u>Sales of short securities</u>
\$74,700,699	\$69,542,393

### NOTE 4 - DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL

Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

Monthly income dividends declared by the Fund are reallocated at December 31 to ordinary income, capital gains, and return of capital to reflect their tax character.

REMS REAL ESTATE VALUE-OPPORTUNITY FUND  
NOTES TO THE FINANCIAL STATEMENTS – continued  
December 31, 2016

The tax character of distributions paid during the year ended December 31, 2016 and the year ended December 31, 2015 was as follows:

	<u>Year ended December 31, 2016</u>	<u>Year ended December 31, 2015</u>
Distributions paid from:		
Ordinary income	\$ 6,449,698	\$ 6,543,009
Realized gains	38,116,264	31,257,841
	<u>\$44,565,962</u>	<u>\$37,800,850</u>

As of December 31, 2016, the components of distributable earnings on a tax basis were as follows:

Ordinary Income	\$ 1,491,408
Accumulated net realized gain (loss)	6,201,004
Net unrealized appreciation on investments	<u>30,217,633</u>
	<u>\$37,910,045</u>

The difference between book basis and tax basis distributable earnings is attributable primarily to tax deferral of losses on wash sales.

As of December 31, 2016, the cost of securities for Federal Income tax purposes and the related tax-based net unrealized appreciation (depreciation) consists of:

<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Total Unrealized Appreciation (Depreciation)</u>
\$249,776,136	\$38,934,271	\$(8,908,197)	\$30,026,074

**NOTE 5 - CAPITAL STOCK TRANSACTIONS**

Capital stock transactions were:

	<u>Year ended December 31, 2016</u>	
	<u>Institutional Class Shares</u>	<u>Platform Class Shares</u>
Shares sold	5,090,453	330,071
Shares reinvested	1,976,151	217,922
Shares redeemed	<u>(12,190,232)</u>	<u>(1,202,228)</u>
Net increase (decrease)	<u>(5,123,628)</u>	<u>(654,235)</u>

REMS REAL ESTATE VALUE-OPPORTUNITY FUND  
 NOTES TO THE FINANCIAL STATEMENTS - continued  
 December 31, 2016

	Year ended December 31, 2015	
	<u>Institutional Class Shares</u>	<u>Platform Class Shares</u>
Shares sold	6,112,055	960,099
Shares reinvested	1,563,672	202,115
Shares redeemed	<u>(8,966,938)</u>	<u>(1,020,153)</u>
Net increase (decrease)	<u>(1,291,211)</u>	<u>142,061</u>

**NOTE 6 - COMMISSION RECAPTURE AGREEMENT**

The Fund entered into agreements with ConvergeEx Execution Solutions LLC ("ConvergeEx") and Capital Institutional Services, Inc. ("CAPIS"), brokerage services providers, whereby a portion of the commissions from each portfolio transaction would be used to reduce the operating expenses incurred, including but not limited to custodial, transfer agent, administrative, legal, trustee, accounting and printing fees and expenses, and other expenses charged to the Fund by third-party service providers which are properly disclosed in the prospectus of the Fund. Pursuant to the terms of the commission recapture agreement, the broker transfers the available commissions earned monthly to the Fund's administrator. There was no transfer to the Fund's administrator to offset operating expenses during the year ended December 31, 2016.

**NOTE 7 - RISKS AND CONCENTRATIONS**

The Fund concentrates its assets in the real estate industry. An investment in the Fund involves many of the risks of investing directly in real estate such as declining real estate values, changing economic conditions and increasing interest rates. The Fund also engages in borrowing for leverage. The Fund has the ability to borrow funds (leverage) on a secured basis to invest in portfolio securities. However, the Fund may have no leverage for an extended period of time when the Fund believes that leverage is not in the best interest of the Fund. Borrowings can be made only to the extent that the value of the Fund's assets, less its liabilities other than borrowings, is equal to at least 300% of all borrowings (including proposed borrowing).

Leverage creates an opportunity for increased income and capital appreciation but at the same time, it creates special risks that will increase the Fund's exposure to capital risk. There is no assurance that the use of a leveraging strategy will be successful during any period in which it is used.

The Fund will pay interest on these loans, and that interest expense will raise the overall expenses of the Fund and reduce its returns. If the Fund does borrow, its expenses will be greater than comparable mutual funds that do not borrow for leverage. To secure the Fund's obligation on these loans, the Fund will pledge portfolio

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**December 31, 2016**

---

securities in an amount deemed sufficient by the lender. Pledged securities will be held by the lender and will not be available for other purposes. The Fund will not be able to sell pledged securities until they are replaced by other collateral or released by the lender. Under some circumstances, this may prevent the Fund from engaging in portfolio transactions it considers desirable. The lender may increase the amount of collateral needed to cover a loan or demand repayment of a loan at any time. This may require the Fund to sell assets it would not otherwise choose to sell at that time.

To the extent the income or capital appreciation derived from securities purchases with Fund assets received from leverage exceeds the cost of leverage; the Fund's return will be greater than if leverage had not been used. Conversely, if the income or capital appreciation from the securities purchases with such Fund assets is not sufficient to cover the cost of leverage, the return on the funds available for distribution to shareholders will be reduced and less than they would have been if no leverage had been used. Nevertheless, the Fund may determine to maintain the Fund's leveraged position if it deems such action to be appropriate under the circumstances.

The Fund has the leverage agreement with ConvergeEx Group. The interest rate charged for these borrowings is Fed Fund open rate plus 50 basis points. During the year ended December 31, 2016 the Fund did not borrow for leverage. At December 31, 2016 the Fund had no outstanding borrowings.

**NOTE 8 – SUBSEQUENT EVENTS**

Management has evaluated all transactions and events subsequent to the date of the balance sheet through the date on which these financial statements were issued. Except as already included in the notes to these financial statements, no additional items require disclosure.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### **To the Shareholders of REMS Real Estate Value-Opportunity Fund And the Board of Directors of the World Funds Trust**

We have audited the accompanying statement of assets and liabilities of REMS Real Estate Value-Opportunity Fund (the "Fund"), a series of the World Funds Trust, including the schedule of investments, as of December 31, 2016, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2016 by correspondence with the custodian and brokers or by other alternative audit procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of REMS Real Estate Value-Opportunity Fund as of December 31, 2016, the results of its operations and cash flows 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.

**TAIT, WELLER & BAKER LLP**

**Philadelphia, Pennsylvania  
March 1, 2017**

**SUPPLEMENTAL INFORMATION**  
**WORLD FUNDS TRUST (The "Trust") (unaudited)**

Information pertaining to the trustees and officers of the Trust is set forth below. The names, addresses and birth years of the trustees and officers of the Trust, together with information as to their principal occupations during the past five years, are listed below. The Statement of Additional Information (the "SAI") includes additional information about the trustees and is available without charge upon request by calling, toll-free, (800) 673-0550.

Following is a list of the Trustees and executive officers of the Trust and their principal occupation over the last five years.

<b>NON-INTERESTED TRUSTEES</b>					
<b>Name, Address and Age</b>	<b>Position(s) Held with the Trust</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During the Past Five Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
David J. Urban 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Birth Year: 1955	Trustee	Indefinite, Since June 2010	Dean, Jones College of Business, Middle Tennessee State University since July 2013; Virginia Commonwealth University, Professor of Marketing from 1989 to 2013.	49	None
Mary Lou H. Ivey 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Birth Year: 1958	Trustee	Indefinite, Since June 2010	Accountant, Harris, Hardy & Johnstone, P.C., accounting firm, since 2008.	49	None

**SUPPLEMENTAL INFORMATION - continued**  
**WORLD FUNDS TRUST (The "Trust") (unaudited)**

Name, Address and Age	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
<p>Theo H. Pitt, Jr. 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Birth Year: 1936</p>	<p>Trustee</p>	<p>Indefinite; Since August 2013</p>	<p>Senior Partner, Community Financial Institutions Consulting (bank consulting) since 1997 to present.</p>	<p>49</p>	<p>Independent Trustee of Gardner Lewis Investment Trust for the one series of that trust; Leeward Investment Trust for the one series of that trust; Hillman Capital Management Investment Trust for the one series of that trust; and Starboard Investment Trust for the 17 series of that trust; (all registered investment companies).</p>

**SUPPLEMENTAL INFORMATION - continued**  
**WORLD FUNDS TRUST (The "Trust") (unaudited)**

<b>OFFICERS WHO ARE NOT TRUSTEES</b>					
<b>Name, Address and Age</b>	<b>Position(s) Held with the Trust</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During the Past Five Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
John Pasco III 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Birth Year: 1945	President and Principal Executive Officer	Indefinite, Since June 2010	President, Treasurer and Director of Commonwealth Fund Services, Inc., the Trust's Administrator, Transfer Agent, Disbursing Agent, and Accounting Services Agent since 1993; and President and Director of First Dominion Capital Corp. , the Trust's underwriter. Mr. Pasco is a certified public accountant.	N/A	N/A
Karen M. Shupe 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Birth Year: 1964	Treasurer and Principal Financial Officer	Indefinite, Since June 2008	Managing Director of Fund Operations, Commonwealth Fund Services, Inc., 2003-present.	N/A	N/A

**SUPPLEMENTAL INFORMATION - continued**  
**WORLD FUNDS TRUST (The "Trust") (unaudited)**

Name, Address and Age	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
David Bogaert 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Birth Year: 1963	Vice President	Indefinite, Since November 2013	Managing Director of Business Development, Commonwealth Fund Services, Inc., October 2013 - present; Senior Vice President of Business Development and other positions for Huntington Asset Services, Inc. from 1986 to 2013.	N/A	N/A
Ann T. MacDonald 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Birth Year: 1954	Assistant Treasurer	Indefinite, Since November 2015	Director, Fund Administration and Fund Accounting, Commonwealth Fund Services, Inc., 2003 - present.	N/A	N/A
John H. Lively 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Birth Year: 1969	Secretary	Indefinite, Since November 2013	Attorney, The Law Offices of John H. Lively & Associates, Inc. (law firm), March 2010 to present.	N/A	N/A

**SUPPLEMENTAL INFORMATION - continued**  
**WORLD FUNDS TRUST (The "Trust") (unaudited)**

<b>Name, Address and Age</b>	<b>Position(s) Held with the Trust</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During the Past Five Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
Holly B. Giangiulio 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Birth Year: 1962	Assistant Secretary	Indefinite, Since May 2015	Managing Director, Corporate Operations, Commonwealth Fund Services, Inc., January 2015-present, Corporate Accounting and HR Manager from 2010 to 2015.	N/A	N/A
Julian G. Winters 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Birth Year: 1968	Chief Compliance Officer	Indefinite, Since August 2013	Managing Member of Watermark Solutions, LLC (investment compliance and consulting) since March 2007.	N/A	N/A

## **VOTING PROXIES ON FUND PORTFOLIO SECURITIES**

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-673-0550 or on the SEC's website at [www.sec.gov](http://www.sec.gov). Information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available, without charge and upon request, by calling 1-800-673-0550 or on the SEC's website at [www.sec.gov](http://www.sec.gov).

## **QUARTERLY PORTFOLIO HOLDINGS**

The Fund files with the SEC a complete schedule of its portfolio holdings, as of the close of the first and third quarters of its fiscal year, on "Form N-Q". These filings are available, without charge and upon request, by calling 1-800-673-0550 or on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

## **APPROVAL OF INVESTMENT ADVISORY CONTRACT RENEWAL**

Fund Counsel reviewed with the Board the memorandum from Counsel dated October 20, 2016 and addressed to the Trustees that summarized, among other things, the fiduciary duties and responsibilities of the Board in reviewing and approving the renewal of the Advisory Agreements between Real Estate Management Services Group, LLC (the "Adviser" or "REMS", solely for purposes of this portion of the minutes) and the Trust on behalf of each of the REMS Real Estate Value-Opportunity Fund, the REMS International Real Estate Value-Opportunity Fund, and the REMS Real Estate Income 50/50 Fund (collectively, the "REMS Funds"). A copy of this memorandum was circulated to the Trustees in advance of the Meeting. Fund Counsel discussed with the Trustees the types of information and factors that should be considered by the Board in order to make an informed decision regarding the approval of the continuation of the Advisory Agreements, including the following material factors: (i) the nature, extent, and quality of the services provided by the Adviser; (ii) the investment performance of the REMS Funds and REMS; (iii) the costs of the services to be provided and profits to be realized by the Adviser from the relationship with the REMS Funds; (iv) the extent to which economies of scale would be realized if the REMS Funds grow and whether advisory fee levels reflect those economies of scale for the benefit of the REMS Funds' investors; and (v) the Adviser's practices regarding possible conflicts of interest.

In assessing these factors and reaching its decisions, the Board took into consideration information furnished for the Board's review and consideration throughout the year at regular Board meetings, as well as information specifically prepared and/or presented in connection with the annual renewal process, including information presented to the Board in the Adviser's presentation at the Meeting. The Board requested and was provided with information and reports relevant to the annual renewal of the Advisory Agreements, including: (i) reports regarding the

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND - continued**  
**SUPPLEMENTAL INFORMATION (unaudited)**

---

services and support provided to the REMS Funds and their shareholders; (ii) quarterly assessments of the investment performance of the REMS Funds; (iii) commentary on the reasons for the performance; (iv) presentations by REMS Funds' management addressing the investment philosophy, investment strategy, personnel and operations utilized in managing the REMS Funds; (v) compliance reports concerning the REMS Funds and the Adviser; (vi) disclosure information contained in the registration statement of the Trust and the Form ADV of the Adviser; and (vii) a memorandum from Counsel, that summarized the fiduciary duties and responsibilities of the Board in reviewing and approving the Advisory Agreements, including the material factors set forth above and the types of information included in each factor that should be considered by the Board in order to make an informed decision.

The Board also requested and received various informational materials including, without limitation: (i) documents containing information about the Adviser, including financial information, a description of personnel and the services provided to the REMS Funds, information on investment advice, performance, summaries of fund expenses, compliance program, current legal matters, and other general information; (ii) comparative expense and performance information for other mutual funds with strategies similar to the REMS Funds; (iii) the anticipated effect of size on the REMS Funds' performance and expenses; and (iv) benefits to be realized by the Adviser from its relationship with the REMS Funds. The Board did not identify any particular information that was most relevant to its consideration to approve the Advisory Agreements and each Trustee may have afforded different weight to the various factors.

In deciding whether to approve the Advisory Agreements, the Trustees considered numerous factors, including:

*The nature, extent, and quality of the services to be provided by REMS.*

In this regard, the Board considered the responsibilities REMS would have under the Advisory Agreements. The Board reviewed the services to be provided by REMS to the REMS Funds including, without limitation: the Adviser's procedures for formulating investment recommendations and assuring compliance with the REMS Funds' investment objectives and limitations; its coordination of services for the REMS Funds among the REMS Funds' service providers; and the anticipated efforts to promote the REMS Funds, grow their assets, and assist in the distribution of REMS Funds' shares. The Board considered: REMS' staffing, personnel, and methods of operating; the education and experience of REMS personnel as well as their specific skill set suited to continue implementing each REMS Fund's investment strategy; and REMS' compliance program, policies, and procedures. After reviewing the foregoing and further information from REMS, the Board concluded that the quality, extent, and nature of the services to be provided by REMS were satisfactory and adequate for each of the REMS Funds.

*Investment Performance of the REMS Funds and REMS.*

In considering the investment performance of the REMS Funds and the Adviser, the Trustees compared the short and long-term performance of the REMS Funds with

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND – continued**  
**SUPPLEMENTAL INFORMATION (unaudited)**

---

the performance of funds with similar objectives managed by other investment advisers, as well as with aggregated peer group data. The Trustees also compared the short and long-term performance of the REMS Funds (other than the REMS International Real Estate Value-Opportunity Fund) with the performance of other accounts managed by the Adviser with similar objectives, strategies and holdings as those of the REMS Funds. The Trustees noted that the performance was similar between the REMS Funds and the other accounts and that the rationale for any differences could be attributed to cash flow and differences in restrictions placed on the separate accounts relative to the REMS Funds such as prohibitions on leverage and shorting strategies. It was noted that the REMS Real Estate Value-Opportunity Fund, for the one-year, five-year and 10-year periods outperformed its category average (Real Estate Category), but for the three-year it underperformed its category average. It was noted that for the REMS Real Estate Income 50/50 Fund, for the one-year and 10-year periods outperformed its category average (Real Estate Category) and it underperformed the category average for each of the three-year and five-year periods. It was noted that the REMS International Real Estate Value-Opportunity Fund underperformed its category average (Global Real Estate Category) for the one-year period. The Trustees considered that while the REMS Funds are grouped into the Real Estate and Global Real Estate Categories, they are unlike other funds in the categories due to their holdings and strategies. Based on these considerations, the Board concluded that the performance of each of the REMS Funds was satisfactory.

*The costs of the services to be provided and profits to be realized by REMS from the relationship with the REMS Funds.*

In considering the costs of the services to be provided and profits to be realized by REMS from the relationship with the REMS Funds, the Trustees considered REMS' staffing, personnel, and methods of operating; the financial condition of REMS and the level of commitment to the REMS Funds by REMS and its principals; the expected asset levels of the REMS Funds; and the projected overall expenses of the REMS Funds. The Trustees considered financial statements of REMS and discussed the financial stability and productivity of the firm. The Trustees noted that REMS was profitable. The Trustees considered the fees and expenses of the REMS Funds (including the management fee) relative to other funds comparable in terms of the type of fund, the nature of its investment strategy, its style of investment management, and its size, among other factors. It was noted that the fees were above the category average for the REMS Real Estate Value-Opportunity Fund and below the Category average for the REMS Real Estate Income 50/50 Fund and REMS International Real Estate Value-Opportunity Fund. The Trustees considered the management fee charged by REMS to separately managed accounts in the Value Opportunity style and that such fee was less than that charged to the REMS Real Estate Value-Opportunity Fund. The Trustees considered the difference in fees for the REMS Real Estate Value-Opportunity Fund relative to similar separately managed accounts and made a business assessment that the differences were appropriate. The Trustees considered that the management fee charged by REMS to accounts similar to the REMS Real Estate Income 50/50 Fund are the same. The Trustees considered that there are no accounts managed in a manner that is similar to the REMS International Real Estate Value-Opportunity Fund. The Trustees noted

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND - continued**  
**SUPPLEMENTAL INFORMATION (unaudited)**

---

that the REMS Funds, other than the REMS International Real Estate Value-Opportunity Fund, had an expense limitation arrangement in place for the next 10 years - it was noted that REMS was maintaining an arrangement for REMS International Real Estate Value-Opportunity Fund to reimburse all of its expenses until that Fund had established a longer track record. Following this analysis and upon further consideration and discussion of the foregoing, the Board concluded that the fees to be paid to REMS by each of the REMS Funds were fair and reasonable.

*The extent to which economies of scale would be realized as the REMS Funds grow and whether advisory fee levels reflect these economies of scale for the benefit of the REMS Funds' investors.*

In this regard, the Board considered the REMS Funds' fee arrangements with REMS. The Trustees determined that although the management fee would stay the same as asset levels increased, the shareholders of the REMS Funds would benefit from the expense limitation arrangements in place for each of the REMS Funds. The Trustees also noted that the REMS Funds would benefit from economies of scale under its agreements with some of its service providers other than REMS. Following further discussion of the REMS Funds' asset levels, expectations for growth, and levels of fees, as well as the other contractual fee structures that were in place for the REMS Funds, the Board determined that each of the REMS Funds' fee arrangements, in light of all the facts and circumstances, were fair and reasonable and structured so as to allow each of the REMS Funds to realize the benefits of economies of scale as each of the REMS Funds grow, as well as immediately because of the expense limitation arrangements.

*Possible conflicts of interest and benefits derived by REMS.*

In considering REMS' practices regarding conflicts of interest, the Trustees evaluated the potential for conflicts of interest and considered such matters as the experience and ability of the advisory and compliance personnel assigned to the REMS Funds; the basis for soft dollar payments with broker-dealers; the basis of decisions to buy or sell securities for the REMS Funds and/or REMS' other accounts; and the substance and administration of REMS' code of ethics. It was also noted that separately managed accounts by REMS were generally available only to accounts with a minimum of \$5 million. It was noted that REMS had no affiliates. Based on the foregoing, the Board determined that REMS' standards and practices relating to the identification and mitigation of possible conflicts of interest were satisfactory. It was noted that REMS indicated that it may benefit from increased market exposure by its association with the Trust.

After additional consideration of the factors delineated in the memorandum provided by Counsel and further discussion among the Board, the Board determined that the compensation payable under the Agreements was fair, reasonable and within a range of what could have been negotiated at arms-length in light of all the surrounding circumstances, and they resolved to approve the Agreements for a one-year term.

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND  
FUND EXPENSES (The "Trust") (unaudited)**

---

**Fund Expenses Example**

As a shareholder of the Fund, you incur ongoing costs, including management fees, distribution (12b-1) 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, July 1, 2016 and held for the six months ended December 31, 2016.

**Actual Expenses Example**

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000= 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the six months ended" 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). Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

**REMS REAL ESTATE VALUE-OPPORTUNITY FUND – continued**  
**FUND EXPENSES (unaudited)**

	<b>Beginning Account Value (7/1/16)</b>	<b>Ending Account Value (12/31/16)</b>	<b>Annualized Expense Ratio***</b>	<b>Expenses Paid During Period Ended* (12/31/16)</b>
Institutional Class Actual	\$1,000	\$1,057.30	1.41%	\$7.29
Institutional Class Hypothetical**	\$1,000	\$1,017.85	1.41%	\$7.15
Platform Class Actual	\$1,000	\$1,055.20	1.66%	\$8.58
Platform Class Hypothetical**	\$1,000	\$1,016.60	1.66%	\$8.42

\* Expenses are equal to the Fund’s annualized expense ratio multiplied by the average account value for the period, multiplied by 184 days in the most recent fiscal half year divided by 366 days in the current year.

\*\* 5% return before expenses

\*\*\* For the six months ended December 31, 2016, fees waived by the Advisor reduced the Annualized Expense Ratio by 0.01%.



**Investment Adviser:**

Real Estate Management Services Group, LLC  
1100 Fifth Avenue South, Suite 305  
Naples, Florida 34102

**Distributor:**

First Dominion Capital Corp.  
8730 Stony Point Parkway, Suite 205  
Richmond, Virginia 23235

**Independent Registered Public Accounting Firm:**

Tait, Weller and Baker LLP  
1818 Market Street, Suite 2400  
Philadelphia, Pennsylvania 19103

**Transfer Agent, Fund Administration and Fund Accounting:**

Commonwealth Fund Services, Inc.  
8730 Stony Point Parkway, Suite 205  
Richmond, Virginia 23235

**Legal Counsel:**

The Law Offices of John H. Lively & Associates, Inc.  
A member firm of the 1940 Act Law Group™  
11300 Tomahawk Creek Parkway, Suite 210  
Leawood, Kansas 66211

**More Information:**

For 24 hours, 7 days a week price information, and for information on any series of the World Funds Trust investment plans, and other shareholder services, call Commonwealth Fund Services, Inc. toll-free at (800) 673-0550.