

Sales Charges and Dealer Reallowance

Class A shares of the Funds are retail shares that require that you pay a sales charge when you invest unless you qualify for a reduction or waiver of the sales charge. Class A shares are also subject to Rule 12b-1 fees (or distribution and service fees) of up to 0.25% of average daily net assets that are assessed against the shares of the Funds.

If you purchase Class A shares of a Fund you will pay the NAV next determined after your order is received plus a sales charge (shown in percentages below) depending on the amount of your investment. The sales charge does not apply to shares purchased with reinvested dividends. The sales charge is calculated as follows and the dealer reallowance is as shown in the far right column:

Amount of Transaction	Sales Charge as % of Public Offering Price⁽¹⁾	Sales Charge as % of Net Amount Invested	Dealer Reallowance as a % of Public Offering Price
Less than \$25,000	5.00%	5.26%	5.00%
\$25,000 but less than \$50,000	4.50%	4.71%	4.50%
\$50,000 but less than \$100,000	4.00%	4.17%	4.00%
\$100,000 but less than \$250,000	3.50%	3.63%	3.50%
\$250,000 but less than \$500,000	2.50%	2.56%	2.50%
\$500,000 but less than \$1,000,000	2.00%	2.04%	2.00%
\$1,000,000 or more ⁽²⁾	0.00%	0.00%	1.00%

⁽¹⁾ Offering price includes the front-end sales load. The sales charge you pay may differ slightly from the amount set forth above because of rounding that occurs in the calculation used to determine your sales charge.

⁽²⁾ The Transfer Agent will assess Class A purchases of \$1,000,000 or more a 1.00% CDSC if they are redeemed within twelve months from the date of purchase, unless the dealer of record waived its commission. The 1.00% is applied to the NAV of the shares on the date of original purchase or on the date of redemption, whichever is less.

The Advisor's affiliated broker-dealer, D.A. Davidson & Co. ("DAD"), will receive all of the initial sales charge for purchases of Class A shares of the Funds without a dealer of record.

Breakpoints/Volume Discounts and Sales Charge Waivers

Reducing Your Sales Charge. You may be able to reduce the sales charge on Class A shares of the Funds based on the combined market value of your accounts. If you believe you are eligible for any of the following reductions or waivers, it is up to you to ask the selling agent or shareholder servicing agent for the reduction and to provide appropriate proof of eligibility.

- You pay no sales charges on Fund shares you buy with reinvested distributions.
- You pay a lower sales charge if you are investing an amount over a specific breakpoint level as indicated by the above table.
- You pay no sales charges on Fund shares you purchase with the proceeds of a redemption of Class A shares within 365 days of the date of the redemption. You must provide instruction at the time of purchase of your intent to exercise this privilege.
- By signing a **Letter of Intent (LOI)** prior to purchase, you pay a lower sales charge now in exchange for promising to invest an amount over a specified breakpoint within the next 13 months. Reinvested dividends and capital gains do not count as purchases made

during this period. The Funds' transfer agent will hold in escrow shares equal to approximately 5% of the amount you say you intend to buy. If you do not invest the amount specified in the LOI before the expiration date, the transfer agent will redeem enough escrowed shares to pay the difference between the reduced sales load you paid and the sales load you should have paid. Otherwise, the transfer agent will release the escrowed shares when you have invested the agreed amount. Any shares purchased within 90 days of the date you sign the letter of intent may be used as credit toward completion, but the reduced sales charge will only apply to new purchases made on or after that date. *For example*, an investor has \$2,500 to invest in a Fund, but intends to invest an additional \$2,500 per month for the next 13 months for a total of \$35,000. Based on the above breakpoint schedule, by signing the LOI, the investor pays a front-end load of 4.50% rather than 5.00%. If the investor fails to meet the intended LOI amount in the 13-month period, however, the mutual fund company will charge the higher sales load retroactively.

- **Rights of Accumulation** ("ROA") allow you to combine Class A shares you already own in order to reach breakpoint levels and to qualify for sales load discounts on subsequent purchases of Class A shares. The purchase amount used in determining the sales charge on your purchase will be calculated by multiplying the maximum public offering price by the number of Class A shares of a Fund already owned and adding the dollar amount of your current purchase. *For example*, an individual has a \$35,000 investment in a Fund, which was sold with a 4.50% front-end load. The investor intends to open a second account and purchase \$25,000 of a Fund. Using ROA, the new \$25,000 investment is combined with the existing \$35,000 investment to reach the \$50,000 breakpoint, and the sales charge on the new investment is 4.00% (rather than the 4.50% for a single transaction amount).

Eligible Accounts. Certain accounts may be aggregated for ROA eligibility, including your current investment in a Fund, and previous investments you and members of your primary household group have made in a Fund, provided your investment was subject to a sales charge. (Your primary household group consists of you, your spouse and children under age 21 living at home.) Specifically, the following accounts are eligible to be included in determining the sales charge on your purchase, if a sales charge has been paid on those purchases:

- Individual or joint accounts held in your name;
- Coverdell Education Savings Accounts and UGMA/UTMA accounts for which you or your spouse is parent or guardian of the minor child;
- Trust accounts for which you or a member of your primary household group, individually, is the beneficiary;
- Accounts held in the name of you or your spouse's sole proprietorship or single owner limited liability company or S corporation; and

The following accounts are not eligible to be included in determining ROA eligibility;

- Investments in Class A shares where the sales charge was waived.

Waiving Your Sales Charge. The Advisor reserves the right to waive the sales charges for certain groups or classes of shareholders. If you fall into any of the following categories, you can buy Class A shares at NAV per share without a sales charge:

- Current and retired employees, directors/trustees and officers of:
 - Advisors Series Trust;
 - Davidson Investment Advisors, Inc. and its affiliates; and
 - Family members (spouse, domestic partner, parents, grandparents, children, grandchildren and siblings (including step and in-law)) of any of the above.
- Current employees of:
 - the Funds' Transfer Agent;
 - broker-dealers who act as selling agents; and
 - family members (spouse, domestic partner, parents, grandparents, children, grandchildren and siblings (including step and in-law)) of any of the above.
- Qualified registered investment advisors who buy through a broker-dealer or service agent who has entered into an agreement with the Funds' distributor that allows for load-waived Class A purchases.
- Financial intermediaries and qualified broker-dealers, including the Advisor's affiliated broker-dealer, DAD, who have entered into an agreement with the Funds' distributor that allows for load-waived Class A purchases.
- Financial intermediaries who have entered into an agreement with the Funds' distributor to offer shares to self-directed investment brokerage accounts that may or may not charge a transaction fee to its customers.
- Investment advisory clients of the Advisor.

The Trust also reserves the right to enter into agreements that reduce or eliminate sales charges for groups or classes of shareholders, or for Fund shares included in other investment plans such as "wrap accounts." If you own Fund shares as part of another account or package, such as an IRA or a sweep account, you should read the terms and conditions that apply for that account. Those terms and conditions may supersede the terms and conditions discussed here. Contact your selling agent for further information.

Class C Shares. You can buy Class C shares of the Funds at each Fund's offering price, which is the NAV without an up-front sales charge. If you sell (redeem) your Class C shares within twelve months of purchase, you will have to pay a CDSC of 1.00% which is applied to the NAV of the shares on the date of original purchase or on the date of redemption, whichever is less. For example, if you purchased \$10,000 worth of shares, which due to market fluctuation have appreciated to \$15,000, the CDSC will be assessed on your \$10,000 purchase. If that same \$10,000 purchase has depreciated to \$5,000, the CDSC will be assessed on the \$5,000 value. For purposes of calculating the CDSC, the start of the twelve-month holding period is the first day of the month in which the purchase was made. The Funds will use the first-in, first-out ("FIFO") method when taking the CDSC.

Investments of \$1 million or more for purchase into Class C shares will be rejected. Your financial intermediary is responsible for placing individual investments of \$1 million or more into Class A shares.

Waiving Your CDSC. The Funds reserve the right to waive the CDSC for certain groups or classes of shareholders. If you fall into any of the following categories, you can redeem Class C shares without a CDSC:

- You will not be assessed a CDSC on Fund shares you redeem that were purchased with reinvested distributions from Davidson Funds.
- You will not be assessed a CDSC on Fund shares redeemed for account and transaction fees (*e.g.*, returned investment fee) and redemptions through a systematic withdrawal plan.
- Each Fund waives the CDSC for all redemptions made because of scheduled (Internal Revenue Code Section 72(t)(2) withdrawal schedule) or mandatory (withdrawals generally made after age 70½ according to Internal Revenue Service (IRS) guidelines) distributions from traditional IRAs and certain other retirement plans. (See your retirement plan information for details.)
- Each Fund waives the CDSC for redemptions made in the event of the last surviving shareholder's death or for a disability suffered after purchasing shares. ("Disabled" is defined in Internal Revenue Code Section 72(m)(7).)
- Each Fund waives the CDSC for redemptions made at the direction of the Trust in order to, for example, complete a merger or effect a Fund's liquidation.
- Each Fund waives the Class C shares CDSC if the dealer of record waived its commission with the Fund's or Advisor's approval.

Class I shares. Class I shares of the Davidson Multi-Cap Equity Fund are offered without any sales charge on purchases or sales and without any ongoing distribution fee.

Class I shares are available for purchase exclusively by (i) eligible institutions (*e.g.*, a financial institution, corporation, trust, estate, or educational, religious or charitable institution) with assets of at least \$250,000, (ii) tax-exempt retirement plans with assets of at least \$250,000 (including 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase plans, defined benefit plans and non-qualified deferred compensation plans), (iii) fee-based investment programs with assets of at least \$250,000, (iv) qualified state tuition plan (529 plan) accounts and (v) high net worth individuals. The minimum initial investment is waived for wrap fee program accounts investing in Class I.

Class I share participants in tax-exempt retirement plans must contact the plan's administrator to purchase shares. For plan administrator contact information, participants should contact their respective employer's human resources department. Class I share participants in fee-based investment programs should contact the program's administrator or their financial advisor to purchase shares. Transactions generally are effected on behalf of a tax-exempt retirement plan participant by the administrator or a custodian, trustee or record keeper for the plan and on behalf of a fee-based investment program participant by their administrator or financial advisor. Class I shares institutional clients may purchase shares either directly or through an authorized dealer.