



October 31, 2011

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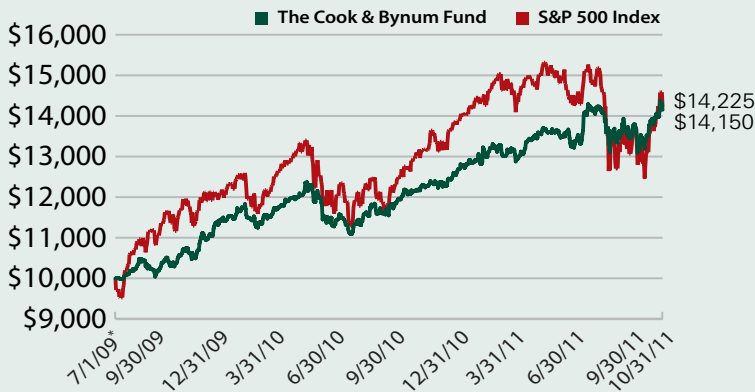
As the supporting scaffolding was removed following the completion of a Roman arch, the responsible engineer was required to stand beneath it. This approach ensured that the engineer designed and built the arch with a substantial margin of safety.

At Cook & Bynum, we have applied the lessons of this highly effective quality control system in two distinct ways. First, we only make investments in companies whose securities we believe provide an appropriate “margin of safety” – meaning they trade at a significant discount to our appraisal of their intrinsic values. Second, we believe it is imperative to have our interests closely and fully aligned with those of our investors. To accomplish this objective, we invest substantially all of our liquid net worth alongside our investors and are more than willing to “eat our own cooking.”

## MUTUAL FUND FACTS as of 10/31/11

Ticker	COBYX	Early Redemption Fee	2%; if shares redeemed within 60 days of purchase
CUSIP	213022106	<b>Minimum Investment Amounts</b>	
Investment Adviser	Cook & Bynum Capital Management, LLC	Regular Initial	\$5,000
Fund Classification	Open-End, Non-Diversified Value	Subsequent	\$1,000
NAV	\$13.79	IRA Initial	\$1,000
Inception Date	7/1/2009	Subsequent	\$100

## GROWTH OF \$10K as of 10/31/11



The chart above shows how a hypothetical investment of \$10,000 in the Cook & Bynum Fund would have performed versus an investment in the S&P 500 for the period indicated.

## PERFORMANCE as of 10/31/11

	3 Month	1 Year as of 10/31/11	Since Inception through 10/31/11*	1 Year as of 9/30/11	Since Inception through 9/30/11*
The Cook & Bynum Fund	0.58%	15.26%	16.03%	10.49%	13.63%
S&P 500 Index**	-2.47%	8.09%	16.30%	1.14%	11.69%

\* Fund Inception date of July 1, 2009.

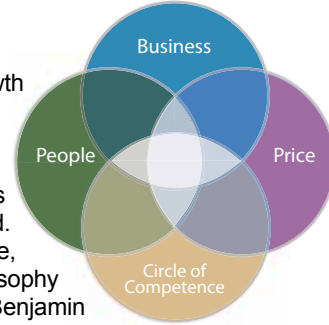
\*\* S&P 500 plus Dividends data is from the S&P Total Return Index on www.standardandpoors.com and Bloomberg, L.P.

As of January 28, 2011, the gross and net expense ratios of the Fund were 3.38% and 1.91% respectively. Cook & Bynum Capital Management, LLC, the Fund's adviser (the "Adviser"), has contractually agreed to reduce fees and/or reimburse the Fund's expenses to the extent necessary to maintain the "Net Annual Operating Expenses" at 1.88%. This agreement is in effect through February 1, 2012.

Performance data quoted represents past performance. Average annual total returns reflect reinvestment of all dividends, capital gains distributions, all fee waivers in effect and any expense reimbursements. Past performance is not indicative of future results and current performance may be lower or higher than the performance quoted. Investment return and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost. The Fund imposes a 2.00% redemption fee on shares held for less than 60 days. Performance shown does not include the redemption fee, which if reflected would reduce the performance quoted. The total returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. To obtain the most recent month-end performance, please call the Funds' toll-free number at (877)839-COBY.

## INVESTMENT OBJECTIVE & PHILOSOPHY

Cook & Bynum seeks long-term growth of capital by investing primarily in a limited number of equity securities of domestic and foreign companies that Fund management believes to be significantly undervalued. We strive to implement a pure, concentrated value investing philosophy based on the teachings of Benjamin Graham, John Burr Williams, Warren Buffett, and Charles Munger. We believe this strategy is the best way to achieve superior long-term returns.



In order to minimize the risk of permanent capital loss, we use the following investment methodology:

**Circle of Competence** We only invest in companies whose core economics and future prospects we think we understand. We know our ability to recognize our limitations will be as important as our ability to execute competencies.

**Business** We seek to invest in companies that have durable competitive advantages, which allow them to earn a high return on equity for an extended period of time. If a company's business does not have a significant competitive advantage, its results will be difficult to forecast.

**People** We will invest in companies whose management we believe is capable and trustworthy. The risk of permanent capital loss can be lowered significantly if we only invest in businesses where management views us as a partner.

**Price** Once we feel comfortable with our valuation, we buy a company only if it is trading at a large discount to our appraisal. We believe this serves to both prevent permanent capital loss when we make a mistake and may provide outsized returns when we are correct.

In the absence of compelling long-term equity investments, we are opportunistic when the market presents attractive risk/reward scenarios. At all times when making portfolio allocation decisions, we compare our best stock ideas against our best bond, risk arbitrage, and cash alternatives, and we feel very comfortable holding cash and cash equivalents in the absence of other attractive positions. This investment strategy may not be the best way to earn high returns in any given year, but we believe it will earn the highest cumulative returns over a long-term time horizon.

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## FUND MANAGEMENT

The Fund is managed by Cook & Bynum Capital Management, LLC, a federally registered investment advisor located in Birmingham, Alabama. The firm was founded in 2001 by Richard P. Cook and J. Dowe Bynum, who also serve as portfolio managers for the Fund.

### Richard P. Cook

Mr. Richard P. Cook is co-portfolio manager and President of the Fund. Before forming Cook & Bynum Capital Management in 2001, Mr. Cook worked for Tudor Investment Corporation in Greenwich, Connecticut. Mr. Cook attended Hampden-Sydney College where he graduated summa cum laude in three years with a B.S. in Economics, Mathematics, & Applied Mathematics and was a member of Phi Beta Kappa.

### J. Dowe Bynum

Mr. J. Dowe Bynum is co-portfolio manager and Vice President and Secretary of the Fund. Before forming Cook & Bynum Capital Management in 2001, Mr. Bynum worked as an analyst in the Equities Division of Goldman, Sachs & Co., Inc. in New York, New York. Mr. Bynum attended Princeton University and graduated with a B.S.E. in Operations Research & Financial Engineering and a Certificate in Finance.

***An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, which contains this and other information, call 1-877-839-COBY or visit [www.cookandbynum.com](http://www.cookandbynum.com). Read the prospectus carefully before investing.***

*The Fund invests in securities using a value approach to investing. Value-based investments are subject to the risk that the broad market may not recognize their intrinsic values.*

*The Fund is a non-diversified mutual fund, which means that the Fund invests in a smaller number of securities when compared to more diversified funds. This strategy exposes the Fund and its shareholders to greater risk of loss from adverse developments affecting portfolio companies.*

*S&P 500 Index: the Standard & Poor's composite index of 500 stocks, a widely recognized, unmanaged index of common stock prices. You cannot invest directly in an index.*

*The Cook & Bynum Fund is distributed by ALPS Distributors, Inc.*

*The Cook & Bynum Funds Trust and ALPS Distributors, Inc. are unaffiliated entities.*

## INVESTMENT PARTNERSHIP

We feel it is essential to our long-term success that we have investors who share our goals. We seek investors that are focused on long-term investment results rather than short-term market fluctuations. Having investors focusing on the latter will almost certainly compromise our long-term results. We will treat your investment in the Fund as if it were our own and consider it imperative to have our interests aligned with yours. To this end, we will continue to be significant investors in the Fund along with you. We will manage your money exactly how we manage our own.

## INVESTMENT EVALUATION

We consider the following main criteria in our investment evaluation process:

### Circle of Competence

- » Stay within our circle of competence
  - Only invest in businesses we can understand and predict.
  - Be disciplined about what we do and do not know.
  - Only compete when we feel we have a competitive advantage.
  - Always examine the psychological factors at work to avoid fooling ourselves.

### Business

- » Use fundamental analysis to find good businesses
  - Only understandable and predictable businesses will be considered.
  - Insist on a conservative balance sheet and accounting; read footnotes and ask questions.
  - Look for high returns on capital.
  - Look for businesses with high barriers to entry, i.e. "moats."
  - Insist upon real owner-earnings – free cash generated after all interest payments, taxes, working capital requirements, and maintenance capital expenditures.
  - Talk to suppliers, competitors, customers, and management.

### People

- » Evaluate management
  - Businesses must have trustworthy and capable management in place who think and act like owners.
  - Find management with whom we would want to be partners in a private endeavor.
  - Read management correspondence (shareholder letters, press releases, conference calls, etc.) to make sure management's focus is on maximizing long-term shareholder returns rather than tangential issues like current stock price, public relations, market share, growing revenues, etc.
  - An important indicator of management integrity is conservative, easily understood accounting.
  - Prefer management that invests a substantial portion of its own net worth in the company.
- » Evaluate management capital allocation
  - Study carefully what management does with marginal free cash flow (dividends, stock buybacks, or expansion) and estimate returns.
  - This is a critical and often overlooked skill; a lot of otherwise competent managers are poor capital allocators.

### Price

- » Conservatively value businesses
  - Insist on a margin of safety by paying a meaningful discount to a conservative appraisal.
  - Account properly for all real costs including maintenance capital expenditures, interest, stock options, off-balance sheet liabilities, pension funds, etc.
  - Account properly for non-cash charges like depreciation and amortization.
  - Predict owner-earnings into the future.
  - Discount earnings to the present using a rational rate.

In the absence of compelling long-term equity investments, we are opportunistic when the market presents attractive risk/reward scenarios. At all times when making portfolio allocation decisions, we compare our best stock ideas against our best bond, risk arbitrage, and cash alternatives, and we feel very comfortable holding cash and cash equivalents in the absence of other attractive positions. This investment strategy may not be the best way to earn high returns in any given year, but we believe it will earn the highest cumulative returns over a twenty-year time horizon by hopefully avoiding the permanent capital loss endemic to short-term strategies.

**Not FDIC Insured · No Bank Guarantee · May Lose Value**

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