

THE COOK & BYNUM FUND

ANNUAL REPORT | SEPTEMBER 30, 2014

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September 30, 2014 (Unaudited)

Dear Partners:

For the six month period ended September 30, 2014, The Cook & Bynum Fund (the "Fund") gained 4.4% net of all costs. The S&P 500 plus Dividends ("S&P") rose 6.4% over the same period. For the one-year period ended September 30, 2014, the Fund gained 9.6% compared to a gain of 19.7% for the S&P, while the Fund returned 11.5% on an annualized basis versus 23.0% for the S&P during the three-year period ended September 30, 2014. Since inception on July 1, 2009 through September 30, 2014, the Fund is up 12.4% per annum compared to 18.0% for the S&P. We are focused on long-term compounding of capital across market cycles and are unconcerned with short-term relative performance. We remain focused on only putting capital to work in investments that meet our absolute return requirements, and will continue to prioritize the return of capital over the return *on* capital.

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. To obtain the most recent month-end performance, please call the Fund's toll-free number at 1-877-839-COBY (2629).

Cook & Bynum Capital Management, LLC, the Fund's 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 1.49%. Per the Prospectus dated January 28, 2014, the gross expense ratio is 1.81%. This agreement is in effect through February 1, 2016.

Portfolio & Research Update

We initiated our first new equity position in just over two years during the late spring and early summer. A decline in the price of Coca Cola Embonor afforded us an opportunity to buy a stake in the business. Embonor bottles, markets, and distributes Coca Cola products in most parts of Chile outside of Santiago and all across Bolivia. We first met with the company in Santiago in 2009 and have followed its progress closely since. As part of his trip to Chile in March of this year, Richard sat down again with Embonor's management and conducted market visits both inside and outside of the company's territory in Chile. He was also able to meet with a key competitor as well as the other Chilean Coke bottler. Our research suggests that Embonor's growth prospects are excellent, particularly in Bolivia where per capita consumption

is rising. Broader interest in the company among the financial community appears to be limited because of its smaller size, the relative illiquidity of its shares, and its decision to make some of its financials available only in Spanish. The tendency for the share prices of less-followed companies to diverge more widely from their intrinsic values helped provide this opportunity in Embonor, and may allow us to add to the Fund's stake over time. We hope to be long-term shareholders.

We had the opportunity to spend extended time in South America again last month on a research trip to Peru and Bolivia. We met with several companies in both countries and were able to visit a variety of supermarkets, large general retailers, and mom-and-pop stores to better understand the consumer and the overall retail landscape. Both countries have benefitted from economic growth fueled by natural resource prices, and this expansion has created a growing middle class. This trip also included further diligence on Coca Cola Embonor, as we visited a key plant in Santa Cruz, Bolivia. This production facility is currently doubling its cold fill capacity and is adding a Tetra Pak hot fill line to introduce a new branded juice. In addition to liking what we saw at Embonor, we toured the facilities of and spoke extensively with management at a Peruvian-based branded consumer products business that we would like to own, although it is too expensive at current prices. The same can be said for several outstanding businesses that Richard met with on a research trip to Indonesia and Australia this summer. As valuation and performance fundamentals allow, we are hopeful that one or more of these companies will become Fund holdings at some point in the future.

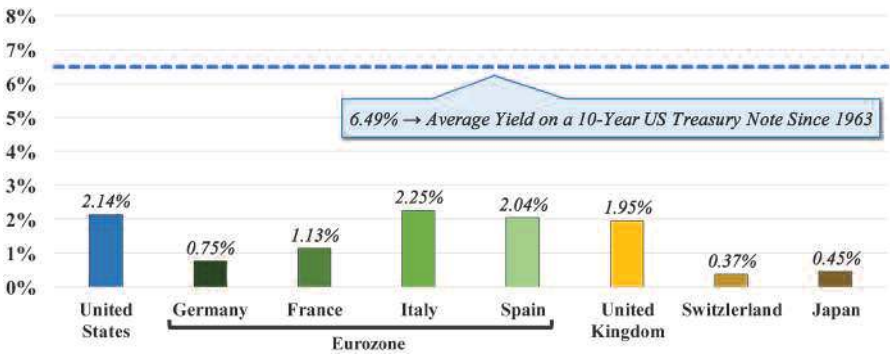
Recency Bias, Global Interest Rates, and Return Expectations

Evolution has rewarded humans (and animals in general) for recency bias. For example, if one of our ancestors found food down a certain path one day, that was probably a good place for him to look again the next day. If a particular type of berry made you sick last time, do not eat that type again. This enduring mental shortcut is helpful in most areas of our lives, but in investing this rule of thumb is a cognitive error.



Contrary to this instinct, the rate of return of an asset is inversely related to its price. That is, as the asset's price goes up, its future rate of return falls. So inevitably, at the very time that recent positive returns trigger a feeling of safety because one's *expectation* for future returns is growing, the opposite is actually happening. Risk rises as *actual* future long-term returns decline. The inverse is true, as well. When recent returns have been unpleasant or negative, risk falls as future long-term returns grow. Economic cycles and financial asset bubbles are, in part, a product of this human inadequacy.

10-Year Sovereign Bond Returns
as of October 31, 2014



The table above shows the nominal return an investor can earn by purchasing a 10-year sovereign bond and holding it until maturity. Financial actors agree that U.S. Treasuries and German Bunds represent the “risk free” rate of return in dollars and euro, respectively, meaning their prices (and, by extension, their rates of return) have meaningful implications for the broader markets. The intrinsic value of all asset classes relies on the prevailing opportunity cost, and over the next decade market participants are currently requiring a risk free rate of return of only ~2% in dollars and merely ~1% in euro. So what rate of return should investors reasonably expect to make in stocks, real estate, private equity, venture capital, timber, etc. during this same time period? Markets generally price opportunity cost fairly efficiently – prices of assets will be bid to levels such that returns across asset classes converge. Accordingly, given current prices and valuation fundamentals, we would posit that rates of returns on other financial assets are unlikely to greatly exceed those of the risk free rates, at least on average.

We will continue to employ the strategy we think best for compounding capital over the decades and through market and economic cycles. We will not put capital to work in stocks just because they are relatively less

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expensive than the next best option. Instead, we will deploy capital only when we have an expectation of a satisfactory return in a particular security. The current conundrum of very low rates of return on capital means that investors continue to have an extremely compressed opportunity set, and these factors should cause investors to be quite wary. Fortunately, we are not compelled to be fully invested in equities at all times, which really means at any price regardless of valuation or risk. Instead, we are continuing to scour the world for individual businesses that trade at compelling discounts to their intrinsic values. At some point, we expect to have lots of opportunities, but in the interim we will continue to remain patient. Risk is not something one is forced to bear; it is something one should be willing to bear only if appropriately compensated for doing so.

Closing

Thank you for placing both your trust and your assets with The Cook & Bynum Fund. We invest substantially all of our liquid net worth alongside our investors to align, as closely as possible, our incentives with your goals. We eschew leverage to minimize risk and to maximize long-term returns. We make concentrated investments when we feel that risk is low and potential returns are high, recognizing that bigger stakes can be taken when outcomes are more certain. In the hope of avoiding permanent losses of capital, we insist that each of our holdings trades at a discount to its intrinsic value, and we never feel pressured to make an investment. If you are happy with the service that you have received to date, we encourage you to expand your existing relationship with us. Additional information about our firm and this mutual fund can be found at www.cookandbynum.com/cobyx.

Respectfully,

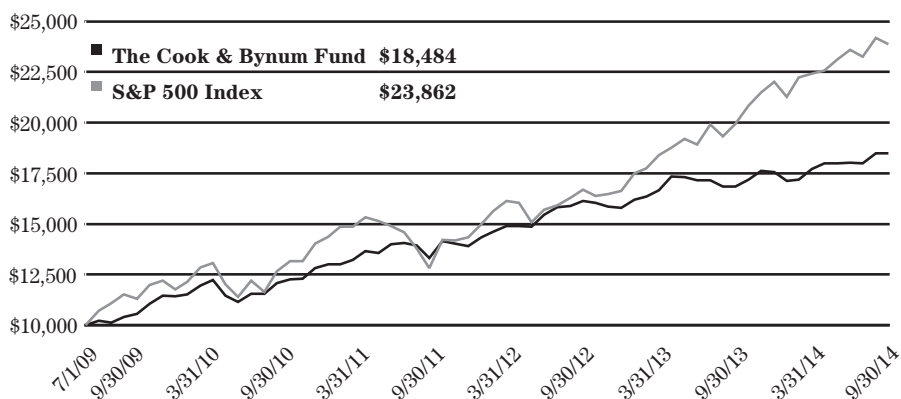
Richard P. Cook

J. Dowe Bynum

September 30, 2014 (Unaudited)

As of September 30, 2014, the unaudited net asset value (NAV) attributable to the 9,161,416 shares outstanding of The Cook & Bynum Fund ("Fund") was \$16.05 per share. This NAV compares with an unaudited NAV of \$15.38 per share as of the Fund's Semi-Annual Report dated March 31, 2014. Fund performance since inception appears in the table below.

Growth of a Hypothetical \$10,000 Investment Inception through 9.30.14



Average Annual Total Return

	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>Since Inception⁽¹⁾</u>
The Cook & Bynum Fund	9.64%	11.52%	12.21%	12.42%
S&P 500 Index ⁽²⁾	19.73%	22.99%	15.70%	18.02%

⁽¹⁾ Fund inception date of July 1, 2009.

⁽²⁾ The Standard & Poor's 500 Index (S&P 500) is an unmanaged index containing common stocks of 500 industrial, transportation, utility, and financial companies, regarded as generally representative of the U.S. stock market. The index return reflects the reinvestment of income dividends and capital gain distributions, if any, but does not reflect fees, brokerage commissions, or other expenses of investing. You cannot invest directly in an index.

As of September 30, 2014 the gross and net expense ratios of the Fund were 1.76% and 1.49%, respectively. Cook & Bynum Capital Management, LLC, the Fund's 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 1.49%. This agreement is in effect through February 1, 2016.

Average annual total returns reflect reinvestment of all dividends, capital gains distributions, all contractual fee

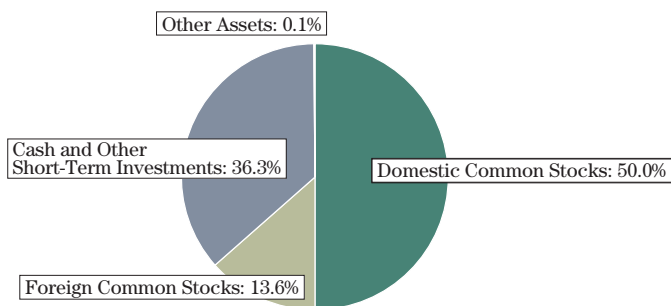
September 30, 2014 (Unaudited)

waivers in effect, and any contractual expense reimbursements. Without these waivers and reimbursements, performance would have been lower. 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 total returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Many factors affect performance including changes in market conditions in response to economic, political, or financial developments. To obtain the most recent month-end performance, please call the Fund's toll-free number at 1-877-839-COBY (2629).

Cook & Bynum Capital Management, LLC (“CBCM” & “we”), the Fund’s “Manager,” believes that the Fund’s performance over any brief period is meaningless given CBCM’s long-term investment strategy. We attempt to buy businesses at a substantial discount to our appraisal of their intrinsic values, and there is no guarantee that quoted prices will reflect these appraisals over any short period of time. Additionally, CBCM’s approach to concentrate the Fund’s holdings in our best ideas could result in higher short-term volatility relative to the S&P.

The following chart shows the asset and geographic allocations as a percentage of net assets. Holdings are subject to change without notice and at CBCM’s sole discretion.

Asset and Geographic Allocation as of 9.30.14



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Portfolio Changes for the six months ended 9.30.14

New Holdings	Eliminations
Coca Cola Embonor	None

The Fund initiated its first new position in over two years beginning in May of this year. Coca Cola Embonor is a Chilean-based Coke bottler whose territory encompasses most of Chile, except Santiago, and all of Bolivia. We first researched this business in 2009, but it was not trading cheaply enough relative to intrinsic value at that time. Recently, however, the valuation became more compelling as both the company's stock price fell (alongside a broader decline in the Chilean market) and the dollar strengthened versus the Chilean peso. The company has plenty of room to grow off of a low per capita consumption base, especially in the Bolivian market. Embonor represented about 5% of the Fund's assets at the time of purchase.

Performance Contribution

Microsoft was the best-performing security in the portfolio and, as the biggest position, also had the largest contribution to the Fund's performance for the period. Coca Cola, Arca Continental, and Berkshire Hathaway also meaningfully contributed to the Fund's performance. Proctor & Gamble and Walmart had a negligible impact, while Coca Cola Embonor had a small negative impact on returns for the period.

Shareholders should be advised that the positions described above may no longer be owned by the Fund subsequent to the end of the fiscal period, and additional securities may have been purchased that are not yet required to be disclosed. The Fund's policy is to not disclose positions except when required by relevant law or regulation in order to protect shareholders.

Fund assets are only invested in equity or debt securities CBCM believes offer appropriate risk/reward profiles. To the extent that CBCM is unable to identify qualifying securities, we will hold any allowable amount of cash or other liquid, low-risk securities. Such securities (i.e., U.S. Government obligations of 3 months or less) are strategic assets that allow us to preserve capital to deploy when suitable equity investments present themselves. At year end, the Fund had 36.3% of its net assets invested in cash or cash equivalents (cash, U.S. Treasury bills, or foreign government bonds). CBCM anticipates that this percentage of assets invested in

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cash equivalents is higher than the average will be over time, but we will not buy other securities that do not offer an appropriate return profile and an adequate discount to intrinsic value. There is no guarantee that such a liquidity position will not negatively affect the Fund's returns in a rising market, and past performance is not a guarantee of future results.

The Fund's portfolio managers and their spouses have a significant personal stake in the Fund. Your portfolio managers do not invest with outside managers or hold individual stocks. Certain Trustees or Officers of the Cook & Bynum Funds Trust are also Members of CBCM.

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 (2629) or visit www.cookandbynum.com/cobyx. Read the prospectus carefully before investing.

Expense Example

As a shareholder of The Cook & Bynum Fund, you incur two types of costs: (1) transaction costs, including redemption fees, and (2) ongoing costs, including management 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 and held for the period from April 1, 2014 through September 30, 2014.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information below, 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 ending account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled “Expenses Paid During the Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other mutual funds. To do so, compare the 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 redemptions fees, sales charges (loads), or exchange fees. 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 transaction costs were included, your costs would have been higher.

September 30, 2014 (Unaudited)

	Beginning Account Value 4/1/14	Ending Account Value 9/30/14	Expenses Paid During the Period 4/1/14 to 9/30/14⁽¹⁾	Annualized Expense Ratio
Actual Fund Return	\$1,000.00	\$1,043.60	\$7.63	1.49%
Hypothetical Fund Return (5% return before expenses) . .	\$1,000.00	\$1,017.60	\$7.54	1.49%

⁽¹⁾ Expenses are equal to the Fund's annualized expense ratio multiplied by the average account values over the period, multiplied by the number of days in the most recent fiscal half year (183), then divided by 365.

September 30, 2014

Description	Shares	Value
DOMESTIC COMMON STOCKS (50.0%)		
Diversified Companies (4.6%)		
Berkshire Hathaway, Inc. – Class B ⁽¹⁾	49,000	\$ 6,768,860
General Merchandise Stores (11.8%)		
Wal-Mart Stores, Inc.	228,000	17,435,160
Household/Cosmetic Products		
Manufacturing (3.2%)		
Procter & Gamble Co.	55,600	4,655,944
Soft Drink Manufacturing (10.6%)		
Coca-Cola Co.	364,700	15,558,102
Software Publishers (19.8%)		
Microsoft Corp.	628,200	29,123,352
TOTAL DOMESTIC COMMON STOCKS		
(Cost \$50,687,385)		<u>\$ 73,541,418</u>
FOREIGN COMMON STOCKS (13.6%)		
Soft Drink Bottling and Distribution (13.6%)		
Arca Continental SAB de CV	1,960,754	\$ 13,460,520
Coca Cola Embonor – Class B	3,999,398	6,485,420
		<u>19,945,940</u>
TOTAL FOREIGN COMMON STOCKS		
(Cost \$15,188,271)		<u>\$ 19,945,940</u>

See accompanying Notes to Financial Statements.

September 30, 2014

Description	Principal Amount	Value
SHORT-TERM INVESTMENTS (36.0%)		
U.S. TREASURY BILLS (36.0%)		
0.000%, 12/04/2014 ⁽¹⁾	\$52,280,000	\$ 52,278,606
0.000%, 11/28/2014 ⁽¹⁾	720,000	719,994
TOTAL SHORT-TERM INVESTMENTS (Cost \$52,998,600)		\$ 52,998,600
TOTAL INVESTMENTS (99.6%) (Cost \$118,874,256)		\$146,485,958
TOTAL CASH INCLUDING FOREIGN CURRENCY (0.3%)		461,295
TOTAL OTHER ASSETS LESS LIABILITIES (0.1%)		103,786
NET ASSETS (100.0%)		\$147,051,039

⁽¹⁾ Non-income producing security.

Common Abbreviations:

SAB de CV – Sociedad Anonima Bursatil de Capital Variable is a Spanish Capital Company

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or they may be defined by Fund management. This definition may not apply for purposes of this report, which may combine sub-classifications for reporting ease. Industries are shown as a percentage of net assets.

See accompanying Notes to Financial Statements.

September 30, 2014

ASSETS:

Investments, at value (cost \$118,874,256)	\$146,485,958
Cash	392,341
Foreign currency, at value (cost \$69,638)	68,954
Receivable for fund shares sold	185,394
Income receivable	111,234
Prepaid expenses	31,782
Total Assets	147,275,663

LIABILITIES:

Payable for capital shares redeemed	13,108
Accrued investment advisory fees, net of waiver	150,029
Other payables and accrued expenses	61,487
Total Liabilities	224,624
Net Assets	\$147,051,039

COMPOSITION OF NET ASSETS:

Paid-in capital	\$119,204,656
Accumulated net investment loss	(331,804)
Accumulated net realized gain on investments and foreign currency transactions	567,169
Net unrealized appreciation (depreciation) on investments and foreign currency translation	
Investments securities	28,287,746
Foreign currency translation	(676,728)
Net Assets	\$147,051,039

Shares of common stock outstanding (unlimited number of shares authorized)	9,161,416
Net Asset Value Per Share	\$ 16.05

See accompanying Notes to Financial Statements.

For the Year Ended September 30, 2014

INVESTMENT INCOME:

Dividends ⁽¹⁾	\$ 1,882,976
Interest	17,369
Total Investment Income	1,900,345

EXPENSES:

Investment adviser fees	2,085,134
Fund accounting and administration fees	110,049
Transfer agent fees and expenses	65,026
Legal fees	45,978
Federal and state registration fees	31,316
Insurance fees	22,763
Trustee fees	21,955
Printing fees	20,202
Custody fees	18,934
Auditing and tax fees	16,494
Service fees	16,319
Chief compliance officer fees	7,843
Miscellaneous expense	3,292
Total expenses before reimbursement	2,465,305
Less fees reimbursed by investment advisor	(380,171)
Net Expenses	2,085,134
Net Investment Loss	(184,789)

**NET REALIZED AND UNREALIZED GAIN
ON INVESTMENTS AND FOREIGN
CURRENCY TRANSACTIONS:**

Net realized gain (loss) on:

Investment securities	670,134
Foreign currency transactions	(65,306)
Total	604,828

Net change in unrealized appreciation (depreciation) on:

Investments securities	13,166,264
Foreign currency translation	(813,574)
Total	12,352,690

Net Realized and Unrealized Gain on Investments

and Foreign Currency Transactions	12,957,518
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Net Increase in Net Asset from Operations	\$12,772,729
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⁽¹⁾ Net of \$6,878 in foreign withholding taxes.

See accompanying Notes to Financial Statements.

	Year Ended September 30, 2014	Year Ended September 30, 2013
FROM OPERATIONS:		
Net investment loss	\$ (184,789)	\$ (66,942)
Net realized gain on investments and foreign currency transactions	604,828	4,437,059
Net change in unrealized appreciation (depreciation) on investments and foreign currency translation	12,352,690	(533,323)
Net Increase in Net Assets from Operations	12,772,729	3,836,794
DISTRIBUTIONS TO SHAREHOLDERS:		
From net investment income	(125,960)	—
From net realized gains	(3,155,366)	(2,965,757)
Total distributions	(3,281,326)	(2,965,757)
CAPITAL SHARE TRANSACTIONS		
(NOTE 6):		
Proceeds from shares sold	21,577,852	57,292,246
Dividends reinvested	2,760,402	2,740,322
Value of shares redeemed	(14,779,281)	(27,209,187)
Net Increase Resulting from Capital Transactions	9,558,973	32,823,381
Redemption fees	2,300	5,313
Net Increase in Net Assets	19,052,676	33,699,731
NET ASSETS:		
Beginning of period	127,998,363	94,298,632
End of period*	\$147,051,039	\$127,998,363
* Including accumulated undistributed net investment loss of	\$ (331,804)	\$ —

See accompanying Notes to Financial Statements.

For a share outstanding throughout the periods indicated

Net Asset Value – Beginning of Period	.....
Income from Investment Operations	
Net investment loss ⁽¹⁾
Net realized and unrealized gain on investments and foreign currency transactions and translations ⁽¹⁾
Total Income from Investment Operations	.....
Distributions to Shareholders	
Net investment income	.....
Net realized gains	.....
Total Distributions	.....
Capital Share Transactions	
Redemption fees added to paid-in capital	.....
Total Capital Share Transactions	.....
Net Asset Value – End of Period	.....
Total Return	.....
Ratios and Supplemental Data:	
Net assets, at end of period (000s)	.....
Ratios to average net assets:	
Expenses including reimbursement/waiver	.....
Expenses excluding reimbursement/waiver	.....
Net investment loss including reimbursement/waiver	.....
Net investment loss excluding reimbursement/waiver	.....
Portfolio turnover rate	.....

⁽¹⁾ Calculated using average shares outstanding.

⁽²⁾ Less than \$0.005 per share.

See accompanying Notes to Financial Statements.

For a share outstanding throughout the periods indicated

For the Year Ended September 30, 2014	For the Year Ended September 30, 2013	For the Year Ended September 30, 2012	For the Year Ended September 30, 2011	For the Year Ended September 30, 2010
<u>\$ 14.99</u>	<u>\$ 14.88</u>	<u>\$ 12.99</u>	<u>\$ 11.94</u>	<u>\$ 10.39</u>
(0.02)	(0.01)	(0.03)	(0.02)	(0.02)
<u>1.44</u>	<u>0.65</u>	<u>2.64</u>	<u>1.26</u>	<u>1.69</u>
<u>1.42</u>	<u>0.64</u>	<u>2.61</u>	<u>1.24</u>	<u>1.67</u>
(0.01)	—	—	(0.01)	—
<u>(0.35)</u>	<u>(0.53)</u>	<u>(0.72)</u>	<u>(0.18)</u>	<u>(0.12)</u>
<u>(0.36)</u>	<u>(0.53)</u>	<u>(0.72)</u>	<u>(0.19)</u>	<u>(0.12)</u>
—(2)	—(2)	—(2)	—(2)	—(2)
<u>—(2)</u>	<u>—(2)</u>	<u>—(2)</u>	<u>—(2)</u>	<u>—(2)</u>
<u>\$ 16.05</u>	<u>\$ 14.99</u>	<u>\$ 14.88</u>	<u>\$ 12.99</u>	<u>\$ 11.94</u>
9.64%	4.55%	20.97%	10.49%	16.11%
\$147,051	\$127,998	\$94,299	\$56,675	\$36,868
1.49%	1.57%	1.88%	1.88%	1.88%
1.76%	1.81%	2.12%	2.53%	3.35%
(0.13)%	(0.06)%	(0.25)%	(0.15)%	(0.17)%
(0.40)%	(0.30)%	(0.49)%	(0.80)%	(1.64)%
<u>6%</u>	<u>20%</u>	<u>25%</u>	<u>39%</u>	<u>31%</u>

See accompanying Notes to Financial Statements.

1. ORGANIZATION

The Cook & Bynum Fund (the “Fund”) was organized as a non-diversified series of the Cook & Bynum Funds Trust (the “Trust”) on March 18, 2009. The Trust is an open-end investment company established under the laws of Delaware by an Agreement and Declaration of Trust dated March 18, 2009 (the “Trust Agreement”). The affairs of the Trust are managed by a Board of Trustees (the “Board”). The investment adviser to the Fund is Cook & Bynum Capital Management, LLC (the “Adviser”). The Board has delegated the day-to-day operations of the Fund to the Adviser, which operates the Fund under the Board’s general supervision. The Fund’s investment objective is long-term growth of capital.

The Trust’s Declaration of Trust permits the Board to issue an unlimited number of shares of beneficial interest. The Board has the power to designate one or more separate and distinct series and/or classes of shares of beneficial interest and to classify or reclassify any unissued shares with respect to such series. Currently, the Fund is the only series of shares being offered by the Trust.

2. SIGNIFICANT ACCOUNTING AND OPERATING POLICIES

The following is a summary of significant accounting policies followed by the Fund in the preparation of the financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

A. Security Valuation: Equity securities traded on a national securities exchange or in the over-the-counter market are valued at the closing price on the principal exchange or market as of the close of regular trading hours on the day the securities are being valued, or, lacking any sales, at the latest bid price. Foreign securities are valued on the basis of quotations from the primary market in which they are traded, and are translated from the local currency into U.S. dollars using exchange rates as of the close of the New York Stock Exchange. To the extent domestic and foreign equity securities are actively traded, they are categorized in Level 1 of the fair value hierarchy. Debt securities, including short-term investments with maturities greater than 60 days, are stated at fair value as furnished by an independent pricing service based upon modeling techniques utilizing similar securities or by dealers who make markets in such securities and are categorized in Level 2 of the fair value hierarchy. Debt securities having maturities of 60 days or less may be valued at acquisition cost, plus or minus any amortized discount or premium, and are categorized in Level 2 of the fair value hierarchy.

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Securities and other assets for which quotations are not readily available, or are deemed unreliable, are valued at their fair value using methods determined by the Board of Trustees and/or its designee. The Valuation Committee for the Trust may also make a fair value determination if it reasonably determines that a significant event, which materially affects the value of a security, occurs after the time at which the market price for the security is determined, but prior to the time at which the Fund's net asset value is calculated. In either of these cases, the security will be categorized in Level 2 or Level 3 of the fair value hierarchy. In each case where a pricing service cannot or does not provide a validation for a particular security, consideration is given to the facts and circumstances relevant to the particular situation. This consideration includes reviewing various factors set forth in the pricing procedures adopted by the Board of Trustees and other factors as warranted. In making a fair value determination, factors that may be considered, among others, include: the type and structure of the security; unusual events or circumstances relating to the security's issuer; general market conditions; prior day's valuation; fundamental analytical data; size of the holding; cost of the security on the date of purchase; nature and duration of any restriction on disposition; trading activities and prices of similar securities or financial instruments.

B. Foreign Currency: Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund isolates that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held.

Reported net realized foreign exchange gains or losses arise from sales of portfolio securities, sales and maturities of short-term securities, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, including investments in securities at fiscal period end, resulting from changes in the exchange rate.

C. Fair Value Measurements: In accordance with GAAP, the Fund uses a three-tier hierarchy to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Fund's own assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available.

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3: Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Various inputs are used in determining the value of the Fund's investments as of the reporting period end. The designated input levels are not necessarily an indication of the risk or liquidity associated with these investments.

The following is a summary of the inputs used to value the Fund's investments as of September 30, 2014:

September 30, 2014

Investments in Securities at Value ⁽¹⁾	Level 1 – Quoted Prices	Level 2 – Other Significant Observable Inputs	Level 3 – Significant Unobservable Inputs	Total
Domestic				
Common Stocks	\$73,541,418	\$ —	\$ —	\$ 73,541,418
Foreign				
Common Stocks	19,945,940	—	—	19,945,940
Short-Term				
Investments	—	52,998,600	—	52,998,600
TOTAL	\$93,487,358	\$52,998,600	\$ —	\$146,485,958

⁽¹⁾ Please refer to the schedule of investments to view securities by industry type.

During the year ended September 30, 2014, there were no transfers between Level 1 and 2 securities. The Fund evaluates transfers into or out of Level 1 and Level 2 as of the end of the reporting period. All securities of the Fund were valued using Level 1 and Level 2 inputs during the year ended September 30, 2014. Thus, a reconciliation of assets in which significant unobservable inputs are used (Level 3) is not applicable for this Fund.

D. Security Transactions, Investment Income and Other: Security transactions are recorded on the trade date. Realized gains and losses on sales of investments are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date, except that certain dividends from foreign securities where the ex-dividend date may have passed are recorded as soon as the Fund is informed of such dividends in the exercise of reasonable diligence. Interest income, adjusted for accretion of discounts and amortization of premiums, is recorded on an accrual basis. Discounts and premiums on securities purchased are amortized over the lives of the respective securities. Withholding taxes on foreign dividends have been provided in accordance with the Fund's understanding of the applicable country's tax rules and rates.

E. Federal Income Taxes: It is the policy of the Fund to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable net income to its shareholders. In addition, the Fund intends to pay distributions as required to avoid imposition of excise tax. Therefore, no federal income tax provision is required.

As of and during the year ended September 30, 2014, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year, the Fund did not incur any interest or penalties. The Fund is not subject to examination by U.S. tax authorities for tax years prior to the period ended September 30, 2011.

F. Distributions to Shareholders: Distributions from net investment income and realized gains, if any, are recorded on the ex-dividend date. Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

G. Accounting Estimates: The accompanying financial statements were prepared in conformity with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

H. Share Valuation: The Net Asset Value (“NAV”) per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash or other assets, minus all liabilities (including estimated accrued expenses) divided by the total number of shares outstanding for the Fund, rounded to the nearest cent. The Fund’s shares will not be priced on days on which the New York Stock Exchange is closed for trading. The Fund charges a 2.00% redemption fee for shares redeemed within 60 days of purchase. These fees are deducted from the redemption proceeds otherwise payable to the shareholder. The Fund retains the fees charged as an increase in paid-in capital and such fees become part of the Fund’s daily NAV calculation. The redemption fees charged during the periods can be found in the Statements of Changes in Net Assets.

3. FEDERAL TAX INFORMATION

The Fund’s policy is to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. The Fund has qualified and intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code for federal income tax purposes and to distribute substantially all taxable income and net capital gains. Accordingly, no provision has been made for federal income taxes. Passive foreign investment companies, foreign currency, and certain other investments could create book-to-tax differences that may have an impact on the character of each Fund’s distributions.

In June 2014, the Financial Accounting Standard Board issued ASU No. 2014-11 “Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures.” ASU No. 2014-11 makes limited changes to the accounting for repurchase agreements, clarifies when repurchase agreements and securities lending transactions should be accounted for as secured borrowings, and requires additional disclosures regarding these types of transactions. The guidance is effective for fiscal years beginning on or after December 15, 2014, and for interim periods within those fiscal years. Management is currently evaluating the impact these changes will have on the Fund’s financial statement disclosures.

A. Tax Basis of Distributions to Shareholders: The tax character of the distributions paid by the Fund were as follows:

	For the Year Ended September 30, 2014	For the Year Ended September 30, 2013
Ordinary Income	\$ 80,151	\$ —
Long-Term Capital Gains	<u>3,201,175</u>	<u>2,965,757</u>
Total	<u>\$3,281,326</u>	<u>\$2,965,757</u>

Reclassifications: The tax components of distributable earnings are determined in accordance with income tax regulations which may differ from the compositions of net assets reported under accounting principles generally accepted in the United States. Accordingly, for the year ended September 30, 2014, certain differences were reclassified. These differences were due to net operating losses reclassified to reduce short term capital gains and currency gains reclassified to ordinary income; the amounts reclassified did not affect net assets. The reclassifications were as follows:

Increase/(Decrease) Accumulated net investment income/(loss) .	\$ (21,055)
Increase/(Decrease) Accumulated net realized gain/(loss) on investments and foreign currency transactions	\$ 21,055

September 30, 2014

B. Tax Basis of Investments: As of September 30, 2014, the components of distributable earnings on a tax basis were as follows:

Tax cost of investments and foreign currency	\$118,932,709
Gross unrealized appreciation	28,754,344
Gross unrealized depreciation	<u>(1,201,095)</u>
Net tax unrealized appreciation	27,553,249
Undistributed ordinary income	—
Undistributed long-term capital gains	<u>625,622</u>
Accumulated earnings	<u>625,622</u>
Other accumulated gains (losses)	<u>(332,488)</u>
Total accumulated earnings	<u>\$ 27,846,383</u>

The tax basis of investments for tax and financial reporting purposes differs, principally due to the deferral of losses on wash sales.

Net capital losses incurred after October 31, and within the taxable year are deemed to arise on the first business day of the Fund's next taxable year. Qualified late-year ordinary losses are the excess of the sum of the specified loss attributable to the portion of the taxable year after October 31st, and the late-year losses attributable to the portion of the taxable year after December 31st, over the sum of the specified gains attributable to the portion of the taxable year after October 31st, and other ordinary income attributable to the portion of the taxable year after December 31st. For the fiscal year ended September 30, 2014, the Fund elected to defer on a tax basis, late-year ordinary losses in the amount of \$331,804. There were no post-October losses for the fiscal year ended September 30, 2014.

4. INVESTMENT ADVISORY AND OTHER RELATED PARTY TRANSACTIONS

The Trust has entered into an Investment Management Agreement dated May 27, 2009 ("Management Agreement") with the Adviser. The Management Agreement has been renewed through May 26, 2015. Under the terms of the Management Agreement, the Adviser manages the investment operations of the Fund in accordance with the Fund's investment policies and restrictions. The Adviser furnishes an investment program for the Fund; determines what investments should be purchased, sold, and held; and makes changes on behalf of the Trust in the investments of the Fund. At all times, the Adviser's actions on behalf of the Fund are subject to the overall supervision and review of the Board. The Adviser also manages investments for other clients whose objectives and strategies may result in conflicts of interest with the Fund. The Board has been advised of such potential conflicts and believes

September 30, 2014

that the Adviser has adequate policies and procedures designed to minimize the impact of any such conflicts on the Fund's portfolio.

Pursuant to the Management Agreement, the Trust pays a management fee to the Adviser for its provision of investment advisory services to the Fund. The management fee is paid at an annual rate equal to 1.49% of the average daily net assets of the Fund. Prior to January 1, 2013 the management fee was equal to 1.50% of the average daily net assets of the Fund. Pursuant to the Expense Limitation Agreement, as approved by the Board, the Adviser has agreed to waive or reimburse the Fund for aggregate expenses of every character incurred by the Fund, including but not limited to organizational expenses and investment management fees, but excluding interest, taxes, brokerage commissions, other expenditures which are capitalized according to GAAP, and other extraordinary expenses not incurred in the ordinary course of the Fund's business (as defined by the Expense Limitation Agreement), to the extent necessary to maintain the Fund's net annual operating expenses at 1.49% of average daily net assets through February 1, 2016. Prior to January 1, 2013 the Fund's net annual operating expenses were 1.88% of average daily net assets. Without this agreement, expenses for shares of the Fund would be higher. The Adviser may be permitted to recover expenses it has borne through the Expense Limitation Agreement to the extent that the Fund's expenses in later periods fall below the annual rate of 1.49%, but only to the extent it does not cause the operating expenses to exceed 1.49% of average daily net assets. The Fund will not be obligated to pay any such deferred fees and expenses more than three years after the end of the fiscal year in which the fees and expenses were deferred. For the years ended September 30, 2014, September 30, 2013, and September 30, 2012, the Adviser may in the future recover fee reductions and expense reimbursements totaling, \$380,171, \$247,157, \$170,892, respectively, from the Fund. The adviser may recover these amounts no later than September 30, 2017, 2016, and 2015, respectively. As of September 30, 2014, \$301,508 of previously waived fees have expired. However, when the Adviser lowered the management fee charged to the Fund to 1.49% to match the total expense ratio cap, the Adviser essentially internalized the Fund's cost structure and implicitly eliminated its ability to recapture any of the Fund's organizational expenses or previously waived fees and expenses.

Certain officers, shareholders, and a Trustee of the Fund are also officers and owners of the Adviser. An employee of the Adviser serves as Chief Compliance Officer for the Trust. An employee of the U.S. Bancorp Fund Services, LLC also Services as an Officer of the Trust.

September 30, 2014

The Fund has entered into Service Agreements with U.S. Bancorp Fund Services, LLC (“USBFS”) and a Custody Agreement with U.S. Bank, N.A., an affiliate of USBFS. Under these agreements, USBFS and U.S. Bank, N.A. provide certain transfer agency, administrative, accounting, and custody services.

Additionally, the Fund has entered into a Distribution Agreement with BHIL Distributors, Inc. (an affiliate of Beacon Hill Fund Services, Inc.).

Line of Credit: The Fund has established a line of credit (“LoC”) with U.S. Bank, N.A. to be used for temporary or emergency purposes, primarily for financing redemption payments, using the securities in the Fund’s portfolio as collateral. The LoC will mature, unless renewed, by June 14, 2015. Borrowing under the LoC is limited to the lesser of \$14,000,000, 10% of the gross market value of the Fund or 33 $\frac{1}{3}$ % of the net market value of the unencumbered assets of the Fund. The interest rate paid by the Fund on outstanding borrowings is equal to the prime rate, which was 3 $\frac{1}{4}$ % at September 30, 2014. During the year ended September 30, 2014, the Fund did not borrow on the LoC.

5. INVESTMENT TRANSACTIONS

During the year ended September 30, 2014, the cost of purchases and proceeds from sales of securities (excluding securities maturing less than one year from acquisition) were \$13,307,426, and \$4,846,349, respectively. There were no purchases or sales of long-term U.S. Government securities for the year ended September 30, 2014.

6. SHARES OF BENEFICIAL INTEREST

On September 30, 2014, there was an unlimited number of no par-value shares of beneficial interest authorized for the Fund. Transactions in shares of beneficial interest were as follows:

	For the Year Ended September 30, 2014	For the Year Ended September 30, 2013
Beginning Shares	8,540,258	6,338,328
Shares Sold	1,407,511	3,840,598
Shares Issued in Reinvestment of Distributions	<u>181,248</u>	<u>196,439</u>
Total	10,129,017	10,375,365
Less Shares Redeemed	<u>(967,601)</u>	<u>(1,835,107)</u>
Ending Shares	<u><u>9,161,416</u></u>	<u><u>8,540,258</u></u>

7. BENEFICIAL OWNERSHIP

The beneficial ownership, either directly or indirectly, of 25% or more of the voting securities of the Fund creates presumption of control of the Fund, under section 2(a)(9) of the Investment Company Act of 1940. As of September 30, 2014, Charles Schwab & Co. owned, of record or beneficially, approximately 66% of the Fund's shares.

8. NON-DIVERSIFICATION AND FOREIGN SECURITY RISK

The Fund is non-diversified. A non-diversified fund may invest more of its assets in fewer companies than if it were a diversified fund. The Fund may be more exposed to the risks of loss and volatility than a fund that invests more broadly. The Fund may invest in foreign securities and foreign currency transactions that may involve risks not associated with domestic investments as a result of the level of governmental supervision and regulation of foreign securities markets and the possibility of political or economic instability, among other factors.

9. SUBSEQUENT EVENTS

The Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no adjustments were required to the financial statements.

To the Shareholders and Board of Trustees of
The Cook & Bynum Fund

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Cook & Bynum Fund (the "Fund"), as of September 30, 2014, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2014, by correspondence with the custodian. 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 The Cook & Bynum Fund as of September 30, 2014, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Cohen Fund Audit Services

COHEN FUND AUDIT SERVICES, LTD.

Cleveland, Ohio
November 21, 2014

1. COMPENSATION OF TRUSTEES

During the fiscal year, each Trustee who is not an “interested person” of the Trust (i.e., an “Independent Trustee”) received an annual retainer of \$7,500 with an additional \$2,500 paid to the Chairman of the Audit Committee. All Trustees are permitted reimbursement for out-of-pocket expenses incurred in connection with attendance at meetings.

2. PROXY VOTING POLICIES AND PROCEDURES

For a description of the policies and procedures that the Fund uses to determine how to vote proxies related to portfolio securities, please call 1-877-839-COBY (2629) and request a Statement of Additional Information. One will be mailed to you free of charge. The Statement of Additional Information is also available on the website of the Securities and Exchange Commission at <http://www.sec.gov>. Information on how the Fund voted proxies related to portfolio securities during the twelve month period ended June 30 is available without charge, upon request, by calling 1-877-839-2629 or by accessing the website of the Securities and Exchange Commission at <http://www.sec.gov>.

3. DISCLOSURE OF PORTFOLIO HOLDINGS

The Fund will file a complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Fund’s Form N-Q will be available on the website of the Securities and Exchange Commission at <http://www.sec.gov>. The Fund’s form N-Q may be reviewed and copied at the Securities and Exchange Commission’s Public Reference Room in Washington, D.C., and information on the Public Reference Room may be obtained by calling 1-800-SEC-0330.

4. UNAUDITED TAX INFORMATION

Dividends Received Deduction

The Fund designated 100% of dividends paid from net investment income, including short-term capital gains, during the fiscal year ended September 30, 2014 as dividends qualifying for the dividends received deduction to corporate shareholders.

Qualified Dividend Income

The Fund designated 100% of dividends paid from net investment income, including short-term capital gains, during the fiscal year ended September 30, 2014 as qualified income under the Jobs and Growth Tax Relief Reconciliation Act of 2003.

September 30, 2014 (Unaudited)

The Fund did not designate any of the taxable ordinary income distributions as short-term capital gain distributions pursuant to Section 871(k)(2)(C) of the Internal Revenue Code.

5. BOARD CONSIDERATIONS REGARDING APPROVAL OF INVESTMENT ADVISORY AGREEMENT

At a meeting held May 14, 2014, the Board of Trustees of The Cook & Bynum Funds Trust (the “Trust”), including a majority of the independent trustees, evaluated and unanimously approved the renewal of the advisory contract between the Trust, on behalf of The Cook & Bynum Fund (the “Fund”), and Cook & Bynum Capital Management, LLC (the “Adviser”). In advance of the May 14, 2014 meeting, the Board requested and received materials to assist them in considering the advisory contract. The materials contained information with respect to the factors enumerated below, including the advisory contract, a memorandum prepared by the Trust’s outside legal counsel discussing in detail the trustees’ fiduciary obligations and the factors they should assess in considering the renewal of the advisory contract, and comparative information relating to the advisory fee and other expenses of the Fund. The materials also included due diligence materials relating to the Adviser (including due diligence questionnaires completed by the Adviser, the Adviser’s Form ADV, biographic information regarding the Adviser’s key management and investment advisory personnel, the Adviser’s compliance manual, and comparative fee information relating to the Fund) as well as other pertinent information. Based on their evaluation of the information provided by the Adviser, in conjunction with the Fund’s other service providers, the Board, by a unanimous vote (including a separate vote of the independent trustees), approved the renewal of the advisory contract between the Adviser and the Fund. In approving the renewal of the advisory contract, the trustees considered all information they deemed reasonably necessary to evaluate the terms of the contract in accordance with the Gartenberg factors. In their deliberations, the Board members did not identify any particular information that was all important or controlling, and each Trustee may have attributed different weights to the various factors.

Nature and Quality of Services

The trustees reviewed the nature, extent, and quality of the services provided by the Adviser to the Fund. They considered a presentation by the Adviser describing the application of the Fund’s stated investment strategy, portfolio research process, and third party vendor oversight, and regulatory compliance services provided by the Adviser to the Fund. The presentation included, and the trustees considered, information describing the personnel responsible for

the day-to-day management of the Fund, the Adviser's existing and planned staffing levels, and the Adviser's portfolio management capabilities. The trustees also considered information regarding the Adviser's compliance policies and procedures and discussed the quality of the Adviser's compliance infrastructure. The trustees concluded that they were satisfied with the nature, extent, and quality of services provided by the Adviser under the advisory contract and that the Adviser was providing essential services to the Fund.

Investment Performance

The trustees reviewed the Fund's performance under the Adviser's management. They compared performance of the Fund to its benchmark, the S&P 500 Index Plus Dividends, as well as other benchmark indices and its Morningstar category over various periods of time, including since the Fund's inception on July 1, 2009. They noted that, while the Fund had performed well on an absolute basis, the Fund had underperformed its benchmark and Morningstar category for the 1-year period, 3-year period and period since inception, each ending March 31, 2014, while underperforming its supplemental benchmark for the 1-year period but outperforming for the 3-year period and period since inception. The trustees noted that the Fund has held a significant amount of cash in the portfolio due to a lack of suitable investment opportunities, which has dampened returns but also reduced risk. They also considered the Fund's performance compared to the performance of peer group funds for the specified time period. They considered the source of the information and discussed performance of certain funds included in the peer group. Lastly, the trustees considered the Fund's performance in light of information provided by the Adviser concerning the performance of the Adviser's privately pooled investment vehicles that apply the same investment approach. The trustees concluded that the Fund's overall performance was satisfactory and warranted the continuation of the advisory agreement.

Fees

The trustees examined the fees paid to the Adviser under the advisory contract, the Fund's overall expense ratio and the fund expenses paid by the Adviser pursuant to the Fund's amended expense limitation agreement. They reviewed information compiled by an independent, third party data source comparing the Fund's advisory fee and expense ratio to the advisory fees charged by, and the expense ratios of, a peer group of funds. They considered the Adviser's obligation under the expense limitation agreement to reimburse the Fund for the excess, if any, in any period during the term of the agreement that the Fund's operating expenses are over 1.49% of the Fund's average daily net asset values. The trustees also considered information regarding the

management fees charged by the Adviser to its other advisory accounts noting that clients in the other advisory accounts were charged a 1.50% management fee plus other operating expenses. The trustees noted that the Fund's management fee was on the higher end relative to its peer group, but noted that the Fund's overall fee level after the fee waiver was near the median. After further discussing all of the relevant factors, the trustees concluded that those fees were appropriate considering the services provided by the Adviser and were fair and reasonable.

Profitability and Other Benefits to the Investment Adviser

The trustees next reviewed financial information provided by the Adviser, considered the Adviser's financial position and profitability with respect to the Fund, and evaluated the Adviser's financial commitment to the Fund. They also considered other benefits to the Adviser as a result of its relationship with the Fund. After further discussion, the trustees concluded that the Adviser's anticipated profits from its relationship with the Fund were not excessive.

Economies of Scale

The trustees considered information concerning economies of scale and whether the existing fees paid by the Fund to the Adviser might require adjustment in light of any economies of scale. The trustees determined that no modification of the existing fee level was necessary.

In light of the factors discussed and considered, the trustees concluded that renewal of the advisory contract was in the best interest of the Fund and its shareholders. This conclusion was not based on any single factor, but on evaluation of all of the factors and information reviewed and evaluated by the trustees. Based upon such conclusions, the trustees, including all of the independent trustees, approved the renewal of the advisory contract.

6. SPECIAL MEETING OF SHAREHOLDERS

A special meeting of shareholders of the Fund was held on April 22, 2014 for The Cook & Bynum Fund. The purpose of the Shareholder Meeting was to vote on the following proposal: To re-elect each of the current three (3) Trustees and to elect one (1) new Trustee to serve on the Board of Trustees of the Trust indefinitely or until such time as their successors are elected and qualified.

September 30, 2014 (Unaudited)

Proposal: To re-elect each of the current three (3) Trustees and to elect one (1) new Trustee.

<u>Trustee</u>	<u>For</u>	<u>Withheld</u>
J. Dowe Bynum	8,377,429	345
Charles H. Ogburn	8,377,416	358
Bruce F. Rogers	8,377,416	358
Donald P. Carson	8,377,416	358

7. TRUSTEES AND OFFICERS

The business affairs of the Fund are managed under the direction of the Trust's Board of Trustees in accordance with the laws of the State of Delaware. Information pertaining to the Trustees and Officers of the Trust are set forth on the following page. Trustees who are not deemed to be "interested persons" of the Trust as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), are referred to as "Independent Trustees." Trustees who are deemed to be interested persons of the Trust as defined in the 1940 Act are referred to as "Interested Trustees." The Fund's Statement of Additional Information includes additional information about the Trustees and is available upon request by calling toll-free 1-877-839-COBY (2629).

September 30, 2014 (Unaudited)

Interested Trustees and Officers

Name, Age and Address*	Position(s) Held with the Trust	Term of Office and Length of Time Served**	Principal Occupation During Past Five Years	# of Portfolios in Fund Complex Overseen by Trustee	Other Director/ Trustee Positions
Interested Trustees					
J. Dowe Bynum^ Year of Birth: 1978	Trustee, Vice President, Secretary	Mr. Bynum has served as a Trustee of the Trust since March 2009.	Mr. Bynum has been a Principal of and Portfolio Manager for Cook & Bynum Capital Management, LLC since 2006. From August 2001 to December 2006, Mr. Bynum managed individual accounts at Cook & Bynum Capital Mgt., LLC, which also served as sub- advisor to private investment funds Gullane Capital Partners LLC and Gullane Capital Partners Encore LLC.	1	None
Independent Trustees					
Charles H. Ogburn Year of Birth: 1955	Trustee	Mr. Ogburn has served as a Trustee of the Trust since May 2010.	Mr. Ogburn has been Non- Executive Chairman of the Board of Crawford & Company (an insurance claims management company) since January 1, 2010. From 2001 to 2010, he was Executive Director at the international investment firm Arcapita Inc. Before joining Arcapita Inc., Mr. Ogburn spent more than 15 years at The Robinson- Humphrey Company, Inc., an investment banking firm.	1	Non- Executive Chairman, Crawford & Company
Bruce F. Rogers Year of Birth: 1958	Trustee	Mr. Rogers has served as a Trustee of the Trust since March 2009.	Mr. Rogers has been a Partner with the law firm of Bainbridge, Mims, Rogers & Smith LLP since January 1990.	1	None

* Unless otherwise indicated, the address of each Trustee or Officer of the Trust is 820 Shades Creek Parkway, Suite 2450, Birmingham, AL 35209.

** Each Trustee serves for an indefinite term. Each Officer serves for an annual term or until his or her successor is elected and qualified.

^ Mr. Bynum is an "interested person" of the Trust as defined in the 1940 Act because of his affiliation with the Adviser.

September 30, 2014 (Unaudited)

Name, Age and Address*	Position(s) Held with the Trust	Term of Office and Length of Time Served**	Principal Occupation During Past Five Years	# of Portfolios in Fund Complex Overseen by Trustee	Other Director/ Trustee Positions
Donald P. Carson Year of Birth: 1949	Trustee	Mr. Carson has served as a Trustee of the Trust since April 2014.	Mr. Carson has been the principal at each of Ansley Securities LLC (broker-dealer) and Don Carson Associates, LLC (a financial advisory services firm) since May 2013. Prior to that, Mr. Carson served as President, RFA Management Company LLC from September 2003 to April 2013.	1	None

Name, Age and Address*	Position(s) Held with the Trust	Term of Office and Length of Time Served**	Principal Occupation During Past Five Years
Richard P. Cook Year of Birth: 1978	President	Mr. Cook has served as President of the Trust since March 2009.	Mr. Cook has been a Principal of and Portfolio Manager for Cook & Bynum Capital Management, LLC since 2006. From August 2001 to December 2006, Mr. Cook managed individual accounts at Cook & Bynum Capital Mgt., LLC, which also served as sub-advisor to private investment funds Gullane Capital Partners LLC and Gullane Capital Partners Encore LLC.
David A. Hobbs Year of Birth: 1977	Vice President	Mr. Hobbs has served as Vice President of the Trust since January 2011.	Since May 2010, Mr. Hobbs has served as a Principal and President of CBCM. From June 2003 to May 2010, he was a Principal of Founders Investment Banking, LLC.

* Unless otherwise indicated, the address of each Trustee or Officer of the Trust is 820 Shades Creek Parkway, Suite 2450, Birmingham, AL 35209.

** Each Trustee serves for an indefinite term. Each Officer serves for an annual term or until his or her successor is elected and qualified.

September 30, 2014 (Unaudited)

Name, Age and Address*	Position(s) Held with the Trust	Term of Office and Length of Time Served**	Principal Occupation During Past Five Years
Ashley A. Morris Year of Birth: 1975	Vice President, Chief Compliance Officer, Assistant Secretary	Ms. Morris has served as Vice President and Assistant Secretary of the Trust since May 2009. Ms. Morris has served as Chief Compliance Officer of the Trust since May 2012.	Ms. Morris joined Cook & Bynum Capital Management, LLC in January 2009 and is currently Director of Fund Operations for CBCM as well as CCO of both the Fund and CBCM.
Jason F. Hadler Year of Birth: 1975 c/o U.S. Bancorp Fund Services, LLC P.O. Box 701 Milwaukee, WI 53201-0701	Treasurer	Mr. Hadler has served as Treasurer of the Trust since May 2012.	Mr. Hadler joined USBFS in 2003 and is currently a Senior Vice President.

* Unless otherwise indicated, the address of each Trustee or Officer of the Trust is 820 Shades Creek Parkway, Suite 2450, Birmingham, AL 35209.

** Each Trustee serves for an indefinite term. Each Officer serves for an annual term or until his or her successor is elected and qualified.

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THE COOK & BYNUM FUND

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