



*Perkins Discovery Fund*

*Seeking Capital Appreciation through the Discovery of Emerging Companies*

**Annual Report to Shareholders**

**PERKINS DISCOVERY FUND**

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

April 27, 2016

Dear Shareholders:

For the fiscal year ended March 31, 2016 the Fund had a return of -26.69% versus -14.72% for the Wilshire U.S. Micro-Cap Index, -11.07% for the Russell 2000® Index, -0.63% for the NASDAQ Composite and -0.39% for the S&P 500® Index. Micro-cap stocks underperformed the market by a wide margin during the year and, in general, the smaller the company the greater the underperformance. After two years of underperformance by micro-cap companies, we believe this trend is due to change.

At the Perkins Discovery Fund, we follow a bottom-up approach, using both fundamental and technical chart analysis to find new investment opportunities one by one and to monitor our current holdings. During the fiscal year, we acquired 2 new holdings and disposed of 6. As a result, the portfolio contracted from 25 holdings to 21. We started the year with 97.3% invested in securities and ended with 94.7% invested.

Our three biggest gaining stocks for the year were LeMaitre Vascular, Inc., NeoGenomics, Inc. and Axogen, Inc. LeMaitre develops, manufactures and markets disposable and implantable devices for the treatment of peripheral vascular disease. Their focus on niche products and small tuck-in acquisitions allows them to grow while avoiding competition from larger companies. LeMaitre continued to perform well this year while many other healthcare companies were declining. NeoGenomics operates a network of CLIA-certified clinical laboratories that specialize in cancer genetics diagnostic testing, servicing the needs of pathologists, oncologists, other clinicians and hospitals throughout the United States. We purchased our position in late 2013 and it has been a steady performer. They are in the fastest growing segment of the laboratory industry. Axogen, with a focus on peripheral nerve injuries, provides surgeons with solutions to repair and protect peripheral nerves and to measure and monitor nerve function. Purchased just over a year ago, the stock has been a strong performer with year-over-year revenue growth exceeding 50% in recent quarters.

The Fund's three biggest losers during the year were Cardiovascular Systems, Inc., Inventure Foods, Inc., and Depomed, Inc. Cardiovascular Systems develops and markets orbital atherectomy medical devices for the treatment of peripheral and coronary artery disease. We purchased our position over six years ago and the stock was in a long-term uptrend but has had a sharp correction during the year along with many other healthcare companies. Being a large holding due to previous appreciation, its decline had a large impact on the Fund's performance during the period. Inventure Foods is a long-term holding that has been down recently as they made investments in new products and experienced a recall in an existing product line. We continue to hold our position. Depomed, Inc. is a specialty pharmaceutical company focused on products to treat pain and other central nervous system conditions. Known for successfully building brands, Depomed has been a big winner for the Fund since purchased in 2013; however, it had a sharp correction during the year. Their acquisition of the U.S. rights for NUCYNTA from Johnson and Johnson's Janssen Pharmaceuticals provides them with another opportunity to build a major brand.

The table below shows the Fund's performance for various periods ended March 31, 2016.

<b>Annualized Return</b>	<b>Perkins Discovery Fund</b>	<b>Wilshire US Micro-Cap Index</b>	<b>Russell 2000 Index</b>	<b>NASDAQ Composite Index</b>	<b>S&amp;P 500 Index</b>
<b>Since 4-9-98 Inception</b>	8.63%	6.73%	4.79%	5.62%	3.49%
<b>Fifteen Year</b>	6.32%	8.56%	6.22%	6.70%	3.90%
<b>Ten Year</b>	1.45%	2.52%	3.83%	7.61%	4.75%
<b>Five Year</b>	-1.63%	5.29%	5.72%	11.86%	9.21%
<b>Three Year</b>	-3.07%	4.94%	5.40%	14.23%	9.49%
<b>One Year</b>	-26.66%	-14.72%	-11.07%	-0.63%	-0.39%

*Please note that performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 800-366-8361. The Fund imposes a 1.00% redemption fee on shares held less than 45 days. Performance data does not reflect the redemption fee. If it had, return would be reduced.*

After over a year of churning up and down but really going nowhere, the market made what appears to be a panic low on February 11. This came after starting January with the worst five trading days since 1929 and finishing the month with the worst January performance ever, as measured by the S&P 500. At 10.6% the January/February decline was not that great as far as corrections go, but the selling was relentless and seemed like it would never end. We believe it is likely that the low for 2016 was made on that day.

We cannot control the action of the market; however, we will continue to choose stocks that we believe can do well over the long term using our same bottom-up selection process of looking for small companies that are benefiting from positive change. And, of course, we continue to monitor our holdings. Some of these will reach levels where they will be sold, even though they may continue to be good companies. Others will not work out in the way we anticipated and will be candidates to be sold. Both will be replaced with new ideas, as part of an ongoing process. We believe the Discovery Fund is well positioned in micro-cap growth stocks that hold significant promise for the future.

Thank you for your continued support.

Sincerely,



Richard W. Perkins, C.F.A.  
President



Daniel S. Perkins, C.F.A.  
Executive Vice President

Opinions expressed above are those of Richard W. Perkins or Daniel S. Perkins and are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security.

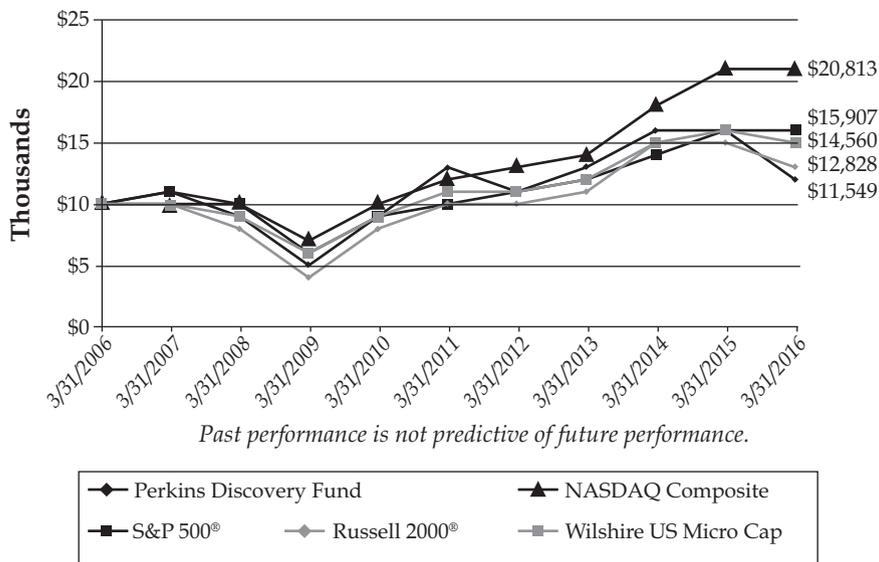
**Small company investing involves additional risks such as limited liquidity and greater volatility. The Fund invests in micro-cap and early stage companies which tend to be more volatile and somewhat more speculative than investments in more established companies. As a result, investors considering an investment in the Fund should consider their ability to withstand the volatility of the Fund's net asset value associated with the risks of the portfolio.**

The S&P 500 Index is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general; the Russell 2000 Index consists of the smallest 2,000 companies in a group of 3,000 U.S. companies in the Russell 3000 Index, as ranked by market capitalization; and the NASDAQ Composite Index is a market capitalization-weighted index that is designed to represent the performance of the National Market System, which includes over 5,000 stocks traded only over-the-counter and not on an exchange. The Wilshire U.S. Micro-Cap Index represents a float-adjusted, market capitalization-weighted portfolio of all stocks below the 2,500th rank by market capitalization in the Wilshire 5000 at March 31 and September 30 of each year. One cannot invest directly in an index. Please refer to the schedule of investments for more information regarding Fund holdings. Fund holdings are subject to change and are not recommendations to buy or sell any security.

Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced.

The Fund is distributed by First Dominion Capital Corp. (05/16)

**COMPARISON OF \$10,000 INVESTMENT IN  
GROWTH OF \$10,000 INVESTMENT IN  
THE PERKINS DISCOVERY FUND VS. S&P 500®, NASDAQ COMPOSITE,  
RUSSELL 2000® AND WILSHIRE US MICRO CAP INDICES**

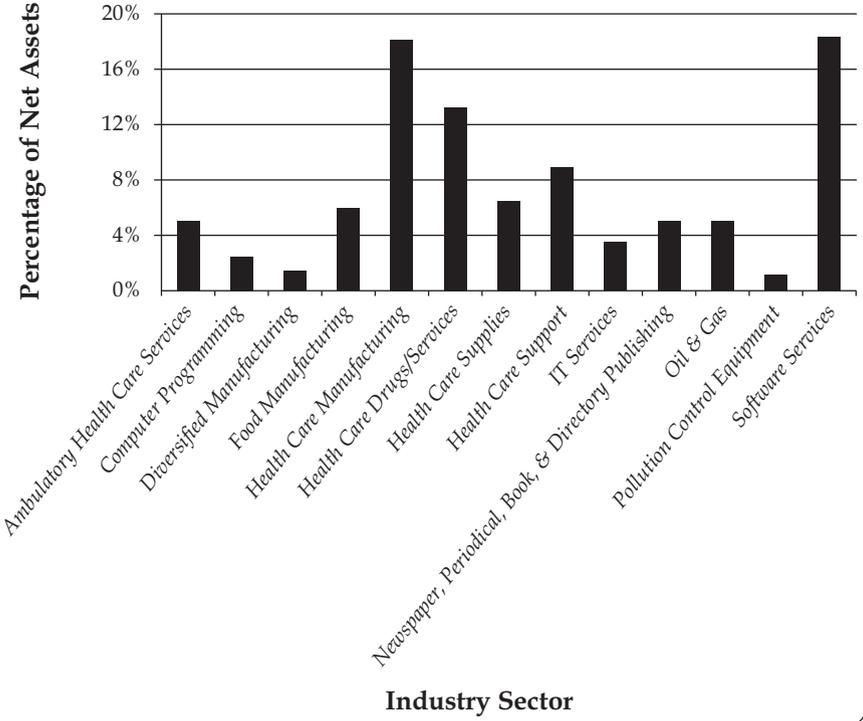


	<b>Total Return</b>		<b>Average Annual Return</b>			
	<b>One Year Ended 3/31/16</b>	<b>Five Years Ended 3/31/16</b>	<b>Ten Years Ended 3/31/16</b>	<b>Fifteen Years Ended 3/31/16</b>	<b>Since Inception 4/9/1998 to 3/31/16</b>	
Perkins Discovery Fund	(26.69%)	(1.64%)	1.45%	6.32%	8.63%	
S&P 500®	(0.39%)	9.21%	4.75%	3.90%	3.49%	
NASDAQ Composite	(0.63%)	11.86%	7.61%	6.70%	5.62%	
Russell 2000®	(11.07%)	5.72%	3.83%	6.22%	4.79%	
Wilshire US Micro Cap	(14.72%)	5.29%	2.52%	8.56%	6.73%	

Performance figures assume the reinvestment of all dividends and distributions and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemptions of Fund shares.

The S&P 500® Index is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general; the Russell 2000® Index consists of the smallest 2,000 companies and a group of 3,000 U.S. companies in the Russell 3000 Index, as ranked by market capitalization and the NASDAQ Composite Index is a market capitalization-weighted index that is designed to represent the performance of the National Market System, which includes over 5,000 traded only over-the-counter and not on an exchange. The Wilshire US Micro Cap Index is a float-adjusted, market capitalization-weighted index of the issues ranked below 2,500 by market capitalization of the Wilshire 5000 total Market Index.

**PERKINS DISCOVERY FUND  
 HOLDINGS BY INDUSTRY SECTOR  
 AS PERCENTAGE OF NET ASSETS  
 AS OF MARCH 31, 2016 (unaudited)**



**PERKINS DISCOVERY FUND**  
**SCHEDULE OF INVESTMENTS**  
**March 31, 2016**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS - 94.73%</b>		
<b>AMBULATORY HEALTH CARE SERVICES - 5.03%</b>		
U.S. Physical Therapy, Inc.	6,250	\$ <u>310,813</u>
<b>COMPUTER PROGRAMMING - 2.48%</b>		
Computer Task Group, Inc.	30,000	<u>153,300</u>
<b>DIVERSIFIED MANUFACTURING - 1.42%</b>		
Summer Infant, Inc.*	50,000	<u>87,500</u>
<b>FOOD MANUFACTURING - 5.94%</b>		
Inventure Foods, Inc.*	65,000	<u>367,250</u>
<b>HEALTH CARE MANUFACTURING - 18.13%</b>		
AtriCure, Inc.*	25,000	420,750
Cardiovascular Systems, Inc.*	30,000	311,100
LeMaitre Vascular, Inc.	25,000	<u>388,000</u>
		<u>1,119,850</u>
<b>HEALTH CARE DRUGS/SERVICES - 13.25%</b>		
Depomed, Inc.*	30,000	417,900
NeoGenomics, Inc.*	50,000	337,000
Sequenon, Inc.*	45,000	<u>63,450</u>
		<u>818,350</u>
<b>HEALTH CARE SUPPLIES - 6.50%</b>		
AxoGen, Inc.*	60,000	321,600
Cogentrix Medical, Inc.*	72,662	<u>79,928</u>
		<u>401,528</u>
<b>HEALTH CARE SUPPORT - 8.91%</b>		
BioTelemetry, Inc.*	15,000	175,200
Rockwell Medical, Inc.*	50,000	<u>375,500</u>
		<u>550,700</u>
<b>IT SERVICES - 3.52%</b>		
Perficient, Inc.*	10,000	<u>217,200</u>

**PERKINS DISCOVERY FUND**  
**SCHEDULE OF INVESTMENTS - continued**  
**March 31, 2016**

	<u>Shares</u>	<u>Fair Value</u>
<b>NEWSPAPER, PERIODICAL, BOOK, AND DIRECTORY PUBLISHING - 5.05%</b>		
The E.W. Scripps Co.	20,000	\$ 311,800
<b>OIL &amp; GAS - 5.03%</b>		
Synergy Resources Corp.*	40,000	<u>310,800</u>
<b>POLLUTION CONTROL EQUIPMENT - 1.15%</b>		
LiqTech International, Inc.*	100,000	<u>71,000</u>
<b>SOFTWARE SERVICES - 18.32%</b>		
Digital Turbine, Inc.*	40,000	47,600
ePlus, Inc.*	11,000	885,610
InnerWorkings, Inc.*	25,000	<u>198,750</u>
		<u>1,131,960</u>
<b>TOTAL COMMON STOCKS - 94.73%</b>		
<b>(Cost: \$3,581,084)</b>		<u>5,852,051</u>
<b>MONEY MARKET FUND - 5.14%</b>		
Fidelity Prime Fund #690 Money Market Fund 0.10%**		
(Cost: \$317,719)	317,719	<u>317,719</u>
<b>TOTAL INVESTMENTS - 99.87%</b>		
<b>(Cost: \$3,898,803)</b>		<u>6,169,770</u>
<b>Other assets, net of liabilities - 0.13%</b>		<u>7,939</u>
<b>NET ASSETS - 100.00%</b>		<u><u>\$6,177,709</u></u>

\* Non-Income producing

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

See Notes to Financial Statements

**PERKINS DISCOVERY FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**March 31, 2016**

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**ASSETS**

Investments at fair value (identified cost of \$3,898,803) (Note 1)	\$ 6,169,770
Dividends and interest receivable	4,090
Receivable from investment manager	16,568
Prepaid expenses	<u>15,162</u>
TOTAL ASSETS	<u>6,205,590</u>

**LIABILITIES**

Accrued administration, transfer agent and accounting fees	2,500
Accrued professional fees	24,750
Other accrued expenses	<u>631</u>
TOTAL LIABILITIES	<u>27,881</u>

**NET ASSETS** \$ 6,177,709

**Net Assets Consist of:**

Paid-in-capital applicable to 224,489 no par value shares of beneficial interest outstanding	\$ 5,495,944
Accumulated undistributed net investment income (loss)	(30,860)
Accumulated net realized gain (loss) on investments	(1,558,342)
Net unrealized appreciation (depreciation) of investments	<u>2,270,967</u>

**Net Assets** \$ 6,177,709

**NET ASSET VALUE PER SHARE**

(\$6,177,709 / 224,489 shares outstanding) \$ 27.52

See Notes to Financial Statements

**PERKINS DISCOVERY FUND**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2016

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**INVESTMENT INCOME**

Dividend	\$ 18,612
Interest	323
Total investment income	<u>18,935</u>

**EXPENSES**

Investment management fees (Note 2)	79,820
12b-1 fees (Note 2)	19,955
Recordkeeping and administrative services (Note 2)	27,916
Accounting fees (Note 2)	25,001
Custody fees	3,207
Transfer agent fees (Note 2)	17,320
Professional fees	36,963
Filing and registration fees	10,504
Trustee fees	4,091
Compliance fees	7,000
Shareholder servicing and reports	10,962
Insurance	4,765
Other	13,889
Total expenses	<u>261,393</u>
Management fee waivers and reimbursed expenses (Note 2)	<u>(81,786)</u>
Net Expenses	<u>179,607</u>
Net investment income (loss)	<u>(160,672)</u>

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

Net realized gain (loss) on investments	233,220
Net increase (decrease) in unrealized appreciation (depreciation) of investments	<u>(2,487,853)</u>
Net realized and unrealized gain (loss) on investments	<u>(2,254,633)</u>

**INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS** **\$(2,415,305)**

See Notes to Financial Statements

**PERKINS DISCOVERY FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<u>Year ended</u> <u>March 31, 2016</u>	<u>Year ended</u> <u>March 31, 2015</u>
<b>Increase (decrease) in Net Assets</b>		
<b>OPERATIONS</b>		
Net investment income (loss)	\$ (160,672)	\$ (207,485)
Net realized gain (loss) on investments	233,220	(930,950)
Net increase (decrease) in unrealized appreciation (depreciation) of investments	<u>(2,487,853)</u>	<u>567,661</u>
Increase (decrease) in net assets from operations	<u>(2,415,305)</u>	<u>(570,774)</u>
<b>CAPITAL STOCK TRANSACTIONS (NOTE 5)</b>		
Shares sold	855,987	392,007
Shares redeemed	<u>(1,881,705)*</u>	<u>(2,804,098)*</u>
Increase (decrease) in net assets from capital stock transactions	<u>(1,025,718)</u>	<u>(2,412,091)</u>
<b>NET ASSETS</b>		
Increase (decrease) during year	(3,441,023)	(2,982,865)
Beginning of year	<u>9,618,732</u>	<u>12,601,597</u>
End of year (including accumulated net investment income (loss) of \$(30,860) and \$(88,863) respectively.)	<u>\$ 6,177,709</u>	<u>\$ 9,618,732</u>

\* Includes redemption fees of \$512 and \$-, respectively.

See Notes to Financial Statements

**PERKINS DISCOVERY FUND**  
**FINANCIAL HIGHLIGHTS**  
**SELECTED PER SHARE DATA THROUGHOUT EACH YEAR**

	Year Ended March 31,				
	2016	2015	2014	2013	2012
<b>Net asset value, beginning of year</b>	<b>\$ 37.54</b>	<b>\$ 38.98</b>	<b>\$ 30.23</b>	<b>\$ 25.99</b>	<b>\$ 30.45</b>
<b>Investment activities</b>					
Net investment income (loss) <sup>(1)</sup>	(0.67)	(0.71)	(0.62)	(0.34)	0.39
Net realized and unrealized gain (loss) on investments	(9.35)	(0.73)	9.37	4.98	(4.78)
<b>Total from investment activities</b>	<b>(10.02)</b>	<b>(1.44)</b>	<b>8.75</b>	<b>4.64</b>	<b>(4.39)</b>
<b>Distributions</b>					
Net investment income	-	-	-	(0.40)	(0.08)
<b>Total distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.40)</b>	<b>(0.08)</b>
Paid-in capital from redemption fees	- <sup>(2)</sup>	-	-	-	0.01
<b>Net asset value, end of year</b>	<b>\$ 27.52</b>	<b>\$ 37.54</b>	<b>\$ 38.98</b>	<b>\$ 30.23</b>	<b>\$ 25.99</b>
<b>Total Return</b>	<b>(26.69%)</b>	<b>(3.69%)</b>	<b>28.94%</b>	<b>18.10%</b>	<b>(14.37%)</b>
<b>Ratios/Supplemental Data</b>					
Ratio to average net assets					
Expenses, gross	3.27%	2.84%	2.83%	3.18%	2.48%
Expenses, net of waiver (Note 2)	2.25%	2.16%	2.00%	2.00%	2.00%
Net investment income (loss)	(2.01%)	(1.96%)	(1.81%)	(1.30%)	1.22%
Portfolio turnover rate	2.20%	21.13%	23.98%	12.97%	14.00%
Net assets, end of year (000's)	\$ 6,178	\$ 9,619	\$ 12,602	\$ 10,491	\$ 12,272

<sup>(1)</sup> Per share amounts calculated using the average share method.

<sup>(2)</sup> Less than \$0.01 per share.

See Notes to Financial Statements

**PERKINS DISCOVERY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2016

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

The Perkins Discovery Fund (the "Fund") is a series of the World Funds Trust ("WFT"), which is registered under The Investment Company Act of 1940, as amended, as a diversified open-end management company. WFT was organized as a Delaware statutory trust on April 9, 2007. The Fund was established on April 9, 1998 as a series of Professionally Managed Portfolios. On October 26, 2012, the Fund reorganized as a separate series of WFT.

The Fund's objective is to seek long-term capital appreciation.

The following is a summary of significant accounting policies consistently followed by the Fund. The policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Fund follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standard Codification Topic 946 "Financial Services - Investment Companies".

**Security Valuation**

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

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

When the Fund uses fair value pricing to determine the NAV per share of the Fund, securities will not be priced on the basis of quotations from the primary market in which they are traded, but rather may be priced by another method that the Board believes accurately reflects fair value. Any method used will be approved by the Board and results will be monitored to evaluate accuracy. The Fund's policy is intended to

**PERKINS DISCOVERY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**March 31, 2016**

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result in a calculation of the Fund’s NAV that fairly reflects security values as of the time of pricing. However, fair values determined pursuant to the Fund’s procedures may not accurately reflect the price that the Fund could obtain for a security if it were to dispose of that security as of the time of pricing.

The Fund has adopted fair valuation accounting standards that establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs used to develop the measurements of fair value. These inputs are summarized in the three broad levels listed below.

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund’s investments as of March 31, 2016:

	<b>Level 1 Quoted Prices</b>	<b>Level 2 Other Significant Observable Inputs</b>	<b>Level 3 Significant Unobservable Inputs</b>	<b>Total</b>
Common Stocks	\$5,852,051	\$-	\$-	\$5,852,051
Money Market Fund	<u>317,719</u>	<u>-</u>	<u>-</u>	<u>317,719</u>
	<u>\$6,169,770</u>	<u>\$-</u>	<u>\$-</u>	<u>\$6,169,770</u>

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

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

**Security Transactions and Income**

Security transactions are accounted for on the trade date. The cost of securities sold is determined generally on specific identification basis. Realized gains and losses from

**PERKINS DISCOVERY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**March 31, 2016**

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security transactions are determined on the basis of identified cost for book and tax purposes. Dividends are recorded on the ex-dividend date. Interest income is recorded on an accrual basis.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of overnight deposits with the custodian bank which earn interest at the current market rate.

**Accounting Estimates**

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

**Federal Income Taxes**

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

Management has reviewed the Fund's tax positions for each of the open tax years (2013-2015) or expected to be taken in the Fund's 2016 tax returns and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken in the Fund's tax returns. The Fund has no examinations in progress and management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change.

**Reclassification of Capital Accounts**

GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. For the year ended March 31, 2016, such reclassifications reduced paid-in-capital and net investment loss by \$218,675.

**NOTE 2 - INVESTMENT ADVISORY AND DISTRIBUTION AGREEMENTS  
AND OTHER TRANSACTIONS WITH AFFILIATES**

Pursuant to an Investment Advisory Agreement, the Advisor, Perkins Capital Management, Inc. ("Perkins") provides investment services for an annual fee of 1.00% of average daily net assets of the Fund. For the year ended March 31, 2016, Perkins earned \$79,820 and waived \$65,218, in investment management fees and reimbursed expenses of \$16,568.

**PERKINS DISCOVERY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**March 31, 2016**

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Perkins has contractually agreed to reduce its fees and/or pay Fund expenses (excluding Acquired Fund Fees and Expenses, interest expense in connection with investment activities, taxes and extraordinary expenses) in order to limit Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement for shares of the Fund to 2.25% of the Fund’s average net assets (the “Expense Cap”) through July 31, 2016. The Agreement may be terminated at any time by the Board upon 60 days’ notice to the Adviser, or by the Adviser with the consent of the Board. Each waiver or reimbursement of an expense by the Adviser is subject to repayment by the Fund within the three fiscal years following the fiscal year in which the expense was incurred, provided that the Fund is able to make the repayment without exceeding the expense limitation in place at the time of the waiver or reimbursement.

The total amount of recoverable reimbursements as of March 31, 2016 was \$252,025 and expires as follows:

2017	\$ 98,106
2018	72,133
2019	81,786
	<u>\$252,025</u>

The Fund has adopted a Distribution Plan (the “Plan”) in accordance with Rule 12b-1 under the 1940 Act, providing for the payment of distribution and service fees to the Advisor as Distribution Coordinator of the Fund. The Plan provides that the Fund may pay a fee to the Advisor at an annual rate of up to 0.25% of average daily net assets of the Fund in consideration for distribution related services. For the year ended March 31, 2016, there were \$19,955 in 12b-1 expenses incurred.

First Dominion Capital Corporation (the “FDCC”) acts as the Fund’s principal underwriter and distributor in the continuous public offering of the Fund’s shares. For the year ended March 31, 2016, FDCC received no commissions or underwriting fees from the sale of the Fund’s shares.

Commonwealth Fund Services, Inc. (“CFSI”), acts as the Fund’s administrator, transfer and dividend disbursing agent and pricing agent. As administrator, CFSI provides shareholder, recordkeeping, administrative and blue-sky filing services and earned \$27,916 for its services for the year ended March 31, 2016. As the Fund’s transfer agent and dividend disbursing agent, CFSI earned \$17,320 for its services for the year ended March 31, 2016. As pricing agent, CFSI earned \$25,001 for its accounting services for the year ended March 31, 2016.

Certain officers of the Trust are also officers and/or directors of FDCC and CFSI. Additionally, John H. Lively of the Law Offices of John H. Lively and Associates, Inc., a member of The 1940 Act Law Group<sup>TM</sup>, serves as legal counsel to the Trust. John H. Lively, Secretary of the Trust, is the owner of the Law Offices of John H. Lively and

**PERKINS DISCOVERY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**March 31, 2016**

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Associates, Inc. Mr. Lively receives no special compensation from the Trust or the Fund for serving as an officer of the Trust.

**NOTE 3 - INVESTMENTS**

The cost of purchases and the proceeds from sales of securities other than short-term notes for the year ended March 31, 2016, aggregated \$170,451 and \$1,424,148 respectively.

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

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

During the years ended March 31, 2016 and March 31, 2015, no distributions were paid.

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

Accumulated undistributed net investment income (loss)	\$ (30,860)
Accumulated net realized gain (loss) on investments	(1,558,342)
Net unrealized appreciation (depreciation) of investments	<u>2,270,967</u>
	<u>\$ 681,765</u>

Under the Regulated Investment Company Modernization Act of 2010 ("2010 Act"), net capital losses recognized after December 31, 2010, may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses. Under the laws in effect prior to the 2010 Act, pre-enactment net capital losses were carried forward for eight years and treated as short-term losses. As a transition rule, the 2010 Act requires that post-enactment net capital losses be used before pre-enactment net capital losses. As of March 31, 2016, the Fund has a capital loss carryforward of \$1,558,342 available to offset future capital gains. \$860,612 of the loss carryforward expires in 2018, \$261,554 of short-term and \$436,176 of long-term can be carried forward indefinitely.

**PERKINS DISCOVERY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**March 31, 2016**

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As of March 31, 2016, the cost for Federal income tax purpose was \$3,898,803.

Net unrealized appreciation consists of:

Gross unrealized appreciation	\$2,775,674
Gross unrealized depreciation	<u>(504,707)</u>
Net unrealized appreciation	<u><u>\$2,270,967</u></u>

**NOTE 5 – CAPITAL STOCK TRANSACTIONS**

Capital stock transactions were:

	<u>Year ended</u> <u>March 31, 2016</u>		<u>Year ended</u> <u>March 31, 2015</u>	
	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
Shares sold	23,495	\$ 855,987	10,749	\$ 392,007
Shares redeemed	<u>(55,214)</u>	<u>(1,881,705)</u>	<u>(77,803)</u>	<u>(2,804,098)</u>
Net increase (decrease)	<u><u>(31,719)</u></u>	<u><u>\$(1,025,718)</u></u>	<u><u>(67,054)</u></u>	<u><u>\$(2,412,091)</u></u>

**NOTE 6 – NEW ACCOUNTING PRONOUNCEMENT**

In May 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-07 “Disclosure for Investment in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent).” The amendments in ASU No. 2015-07 remove the requirement to categorize within the fair value hierarchy investment measured using the NAV practical expedient. The ASU also removes certain disclosure requirements for investments that qualify, but do not utilize, the NAV practical expedient. The amendments in the ASU are effective for Fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Management is currently evaluating the impact these changes will have on the Funds’ financial statements and related disclosures.

**NOTE 7 – SUBSEQUENT EVENTS**

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

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### To the Shareholders of The Perkins Discovery Fund and the Board of Trustees of The World Funds Trust

We have audited the accompanying statement of assets and liabilities, including the schedule of investments of The Perkins Discovery Fund, a series of shares of The World Funds Trust (The "Fund"), as of March 31, 2016, 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. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2016, 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 Perkins Discovery Fund as of March 31, 2016, 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, presented in conformity with accounting principles generally accepted in the United States of America.

Philadelphia, Pennsylvania  
May 23, 2016

TAIT, WELLER & BAKER LLP

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

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

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

<b>NON-INTERESTED TRUSTEES</b>					
<b>Name, Address and Age</b>	<b>Position(s) Held with the Trust</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During the Past Five Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
David J. Urban 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 60	Trustee	Indefinite, Since June 2010	Dean, Jones College of Business, Middle Tennessee State University since July 2013; Virginia Commonwealth University, Professor of Marketing from 1989 to 2013.	36	None
Mary Lou H. Ivey 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 57	Trustee	Indefinite, Since June 2010	Accountant, Harris, Hardy & Johnstone, P.C., accounting firm, since 2008.	36	None

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

Name, Address and Age	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
<p>Theo H. Pitt, Jr. 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 80</p>	<p>Trustee</p>	<p>Indefinite; Since August 2013</p>	<p>Senior Partner, Community Financial Institutions Consulting (bank consulting) since 1997 to present.</p>	<p>36</p>	<p>Independent Trustee of Gardner Lewis Investment Trust for the one series of that trust; Leeward Investment Trust for the one series of that trust; Hillman Capital Management Investment Trust for the one series of that trust; and Starboard Investment Trust for the 28 series of that trust; (all registered investment companies).</p>

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

<b>OFFICERS WHO ARE NOT TRUSTEES</b>					
<b>Name, Address and Age</b>	<b>Position(s) Held with the Trust</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During the Past Five Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
John Pasco III 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 71	President and Principal Executive Officer	Indefinite, Since June 2010	President, Treasurer and Director of Commonwealth Fund Services, Inc. ("CFS"), the Trust's Administrator, Transfer Agent, Disbursing Agent, and Accounting Services Agent since 1993; and President and Director of First Dominion Capital Corp. ("FDCC"), the Trust's underwriter. Mr. Pasco is a certified public accountant.	N/A	N/A
Karen M. Shupe 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 51	Treasurer and Principal Financial Officer	Indefinite, Since June 2008	Managing Director of Fund Operations, Commonwealth Fund Services, Inc., 2003 – present.	N/A	N/A

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

Name, Address and Age	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
David Bogaert 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 52	Vice President	Indefinite, Since November 2013	Managing Director of Business Development, Commonwealth Fund Services, Inc., October 2013 - present; Senior Vice President of Business Development and other positions for Huntington Asset Services, Inc. from 1986 to 2013.	N/A	N/A
Ann T. MacDonald 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 61	Assistant Treasurer	Indefinite, Since November 2015	Director, Fund Administration and Fund Accounting, Commonwealth Fund Services, Inc., 2003 - present.	N/A	N/A
John H. Lively 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 47	Secretary	Indefinite, Since November 2013	Attorney, The Law Offices of John H. Lively & Associates, Inc. (law firm), March 2010 to present; Attorney, Husch Blackwell Sanders LLP (law firm), March 2007 to February 2010.	N/A	N/A

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

<b>Name, Address and Age</b>	<b>Position(s) Held with the Trust</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During the Past Five Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee</b>	<b>Other Directorships Held by Trustee</b>
Holly B. Giangiulio 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 53	Assistant Secretary	Indefinite, Since November 2015	Managing Director, Corporate Operations, Commonwealth Fund Services, Inc., January 2015-present, Corporate Accounting and HR Manager from 2010 to 2015.	N/A	N/A
Julian G. Winters 8730 Stony Point Pkwy Suite 205 Richmond, VA 23235 Age: 47	Chief Compliance Officer	Indefinite, Since August 2013.	Managing Member of Watermark Solutions, LLC (investment compliance and consulting) since March 2007.	N/A	N/A

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

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-637-0550 or on the SEC's website at [www.sec.gov](http://www.sec.gov). Information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available on or through the SEC's website at [www.sec.gov](http://www.sec.gov).

## **QUARTERLY PORTFOLIO HOLDINGS**

The Fund files with the SEC a complete schedule of its portfolio holdings, as of the close of the first and third quarters of its fiscal year, on "Form N-Q". These filings are available, without charge and upon request, by calling 1-800-637-0550 or on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

## **ADVISORY CONTRACT RENEWAL**

At meetings held on November 5 and 10-11, 2015, the Board of Trustees (the "Board") considered the renewal of the Investment Advisory Agreement (the "Agreement") between the Trust and Perkins Capital Management, Inc. (the "Adviser") in regard to the Perkins Discovery Fund.

Counsel reviewed with the Board a memorandum from Counsel dated October 13, 2015, and addressed to the Trustees that summarized, among other things, the fiduciary duties and responsibilities of the Board in reviewing and approving the renewal of the Agreement between the Adviser and the Trust on behalf of the Perkins Discovery Fund. A copy of this memorandum was circulated to the Trustees in advance of the Meeting. Counsel discussed with the Trustees the types of information and factors that should be considered by the Board in order to make an informed decision regarding the approval of the continuation of the Agreement, including the following material factors: (i) the nature, extent, and quality of the services provided by the Adviser; (ii) the investment performance of the Perkins Discovery Fund; (iii) the costs of the services to be provided and profits to be realized by the Adviser from the relationship with the Perkins Discovery Fund; (iv) the extent to which economies of scale would be realized if the Perkins Discovery Fund grows and whether advisory fee levels reflect those economies of scale for the benefit of the Perkins Discovery Fund's investors; and (v) the Adviser's practices regarding possible conflicts of interest.

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

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

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

*Nature, Extent and Quality of the Services Provided by the Adviser.*

In considering the nature, extent, and quality of the services provided by the Adviser, the Trustees reviewed the responsibilities of the Adviser under the Advisory Agreement. The Trustees reviewed the services being provided by the Adviser to the Perkins Discovery Fund, including, without limitation: the quality of its investment advisory services (including research and recommendations with respect to portfolio securities); its process for formulating investment recommendations and assuring compliance with the Perkins Discovery Fund's investment objective, strategies, and limitations, as well as for ensuring compliance with regulatory requirements; its coordination of services for the Perkins Discovery Fund among the service providers and the Independent Trustees; and its efforts to promote the Perkins Discovery Fund and grow its assets. The Trustees evaluated the Adviser's personnel, including the education and experience of the Adviser's personnel. The Trustees considered the expense limitation agreement in place for the Perkins Discovery Fund. The Trustees reflected in their meeting earlier with a representative from the Adviser to discuss the Perkins Discovery Fund. After reviewing the foregoing information and further information in the materials provided by the Adviser (including the Adviser's Form ADV), the Board concluded that, in light of all the facts and circumstances, the nature,

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

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extent, and quality of the services provided by the Adviser were satisfactory and adequate for the Perkins Discovery Fund.

*Investment Performance of the Perkins Discovery Fund and the Adviser.*

In considering the investment performance of the Perkins Discovery Fund and the Adviser, the Trustees compared the short- and long-term performance of the Perkins Discovery Fund with the performance of funds with similar objectives managed by other investment advisers, as well as with aggregated peer group data. It was noted that the Perkins Discovery Fund compared to a number of benchmarks that may or may not relate to the unique style of the Perkins Discovery Fund. The Trustees noted that while the short-term performance of the Perkins Discovery Fund has suffered, the longer-term performance and since inception performance is much more competitive relative to the Perkins Discovery Fund's peer group. It was noted that for the year-to-date period the Fund's performance trailed its category average - the Small Growth Category. It was also noted that for comparison purposes, the Trustees reviewed both the Category averages as well as a smaller sub-set of the Category that included funds with asset levels between \$5 and \$20 million as they were closer in scale to the Perkins Discovery Fund, i.e., 116 of the 681 total funds in the Category. The Trustees also reflected on data provided by representatives of the Adviser at the Meeting that included a performance track record of 15 years. After reviewing and discussing the investment performance of the Perkins Discovery Fund further, the Adviser's experience managing the Perkins Discovery Fund, and other relevant factors, the Board concluded, in light of all the facts and circumstances, that the investment performance of the Perkins Discovery Fund and the Adviser was satisfactory. It was noted that the performance of the Fund was in line with the performance of the Adviser's other accounts.

*Costs of the Services to be provided and profits to be realized by the Adviser.*

In considering the costs of the services to be provided and profits to be realized by the Adviser from the relationship with the Perkins Discovery Fund, the Trustees considered: the Adviser's financial condition and the level of commitment to the Perkins Discovery Fund and the Adviser by the principals of the Adviser; the asset level of the Perkins Discovery Fund; the overall expenses of the Perkins Discovery Fund; and the nature and frequency of advisory fee payments. The Trustees reviewed information provided by the Adviser regarding its profits associated with managing the Perkins Discovery Fund. It was noted that the Adviser was not profitable with regard to its management of the Perkins Discovery Fund. The Trustees also considered potential benefits for the Adviser in managing the Perkins Discovery Fund. The Trustees then compared the fees and expenses of the Perkins Discovery Fund (including the management fee) to other comparable mutual funds. The Trustees noted that the Perkins Discovery Fund's management fee and expense ratios were on the higher range of the comparable funds. The Trustees also recognized that the Adviser has in place an expense limitation agreement for the Perkins Discovery Fund that reduces the overall fees, including the advisory fees. Based on the

foregoing, the Board concluded that the fees to be paid to the Adviser by the Perkins Discovery Fund and the profits to be realized by the Adviser, in light of all the facts and circumstances, were fair and reasonable in relation to the nature and quality of the services provided by the Adviser.

*Economies of Scale.*

The Board next considered the impact of economies of scale on the Perkins Fund’s size and whether advisory fee levels reflect those economies of scale for the benefit of the Perkins Discovery Fund’s investors. The Trustees considered that while the management fee remained the same at all asset levels, the Perkins Discovery Fund’s shareholders had experienced benefits from the Perkins Discovery Fund’s expense limitation arrangement. The Trustees noted that the Perkins Discovery Fund’s shareholders would continue to experience benefits from the expense limitation arrangement until the Perkins Discovery Fund’s expenses fell below the cap set by the arrangement. Thereafter, the Trustees noted that the Perkins Discovery Fund’s shareholders would continue to benefit from economies of scale under the Fund’s agreements with service providers other than the Adviser. In light of its ongoing consideration of the Perkins Discovery Fund’s asset levels, expectations for growth in the Perkins Discovery Fund, and fee levels, the Board determined that the Perkins Discovery Fund’s fee arrangements, in light of all the facts and circumstances, were fair and reasonable in relation to the nature and quality of the services provided by the Adviser.

*Adviser’s Practices Regarding Possible Conflicts of Interest and Benefits to the Adviser.*

In considering the Adviser’s practices regarding conflicts of interest, the Trustees evaluated the potential for conflicts of interest and considered such matters as the experience and ability of the advisory personnel assigned to the Perkins Discovery Fund; the basis of decisions to buy or sell securities for the Perkins Discovery Fund; and the substance and administration of the Adviser’s code of ethics. The Trustees also considered disclosure in the registration statement of the Trust related to the Adviser’s potential conflicts of interest. The Trustees considered that the Adviser utilizes soft dollars through Perkins Discovery Fund transactions and it also receives benefits from the publicity of managing a public fund. The Trustees also considered the Adviser may benefit by using the Perkins Discovery Fund as a place for smaller accounts. Based on the foregoing, the Board determined that the Adviser’s standards and practices relating to the identification and mitigation of possible conflicts of interest were satisfactory.

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

## THE PERKINS DISCOVERY FUND FUND EXPENSES

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### Fund Expenses Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including redemption fees and (2) ongoing costs, including management fees, distribution (12b-1) fees, and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period, October 1, 2015 and held for the six months ended March 31, 2016.

### Actual Expenses Example

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the 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 funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

	Beginning Account Value October 1, 2015	Ending Account Value March 31, 2016	Expenses Paid During the Period* October 1, 2015 through March 31, 2016
Actual	\$1,000	\$ 913.71	\$10.76
Hypothetical (5% return before expenses)	\$1,000	\$1,013.75	\$11.33

\* Expenses are equal to the Fund's annualized expense ratio of 2.25%, multiplied by the average account value for the period, multiplied by 183 days in the most recent fiscal half year divided by 366 days in the current year.





**Investment Advisor:**

Perkins Capital Management, Inc.  
730 East Lake Street  
Wayzata, MN 55391-1769

**Distributor:**

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

**Independent Registered Public Accounting Firm:**

Tait, Weller & Baker LLP  
1818 Market Street, Suite 2400  
Philadelphia, PA 19103

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

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

**Legal Counsel:**

The Law Offices of John H. Lively & Associates, Inc.  
A member firm of The 1940 Act Law Group™  
11300 Tomahawk Creek Parkway, Suite 310  
Leawood, KS 66211

**More Information:**

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