

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Semi-Annual Investment Adviser's Report October 31, 2010 (Unaudited)

Dear Fellow Shareholder:

During the mid-year market correction we believed that many stocks were being pushed to valuation levels approaching, or in some instances exceeding, the lows of the market bottom back in March of 2009. It is gratifying that the validity of our analysis was corroborated by the strong absolute performance achieved during the past two months. We also observed that conditions seemed conducive for an uptick in corporate merger and acquisition activity. Recent merger and acquisition activity has corroborated and reinforced this thesis.

Commentators have noted that creditworthy corporations, and larger private equity firms, have access to debt capital that is remarkably inexpensive when compared to historical norms. As recently announced deals attest, market conditions have resulted in a panoply of attractive merger candidates. More significantly, however, we believe that a more profound and strategic catalyst is rippling through the technology sector.

High speed Internet access has enabled the delivery of software as a service (SaaS). Under this model, the bulk of the software application, data storage and computational activities can take place in a centralized data center (known as the "cloud") with output that is streamed via the Internet to the end user. This paradigm has the potential to redefine hardware requirements for personal computers and threaten the traditional architecture and ecosystem that has sustained the Microsoft Windows and Intel (WinTel) community for the last twenty years. As seen by Intel's acquisition of McAfee, and HP's acquisitions of Palm and 3Par, this is likely to provoke both an acceleration of strategic merger activity and continued industry-wide consolidation. So despite stock market volatility and other economic uncertainties, we believe there is profound opportunity for wealth creation within the technology sector.

The Fund's two largest equity holdings should specifically benefit from this trend. CA Technologies has traditionally provided the software tools necessary to deploy, monitor, provision and maintain software applications operating in a multi-vendor (known in the industry as "heterogeneous") data center environment. Incrementally repositioning itself over the last several years (including through a number of strategic acquisitions), we believe that CA Technologies is now in an enhanced position to bring its historic core competency of providing functional, scalable and reliable centralized computing environments to the cloud model. Symantec, known to most for its Norton AntiVirus products, actually garners a larger portion of its revenue from software tools that secure, store, backup and protect corporate data. Such products are critical enabling technologies for corporations seeking to rely on the public or private cloud to exchange essential and proprietary information. The stock has lagged this year, largely due to Wall Street concerns over the price Symantec paid for a major acquisition. The acquired company produces "certificates": digital codes used to ensure the encryption of data over the Internet. We believe that the acquisition was in fact prescient in allowing Symantec to effectively solidify its role in enabling and securing both cloud-based deployments and more traditional Internet transactions.

Both companies represent long duration, durable business franchises with strong and predictable free cash flow generation. We believe that their important participation in the cloud computing phenomenon is likely to catalyze either investor interest or that of a strategic acquirer. In addition, we have a significant pipeline of research ideas in this space and expect that ongoing market volatility will enable us to selectively add new holdings as they fall within our investment parameters.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Semi-Annual Investment Adviser's Report (Continued) October 31, 2010 (Unaudited)

Implicit in our prior comment is the suggestion that the equity markets are unlikely to continue their persistent march upward without pause or correction. In recent months, stocks have proven the old investment maxim that "markets climb a wall of worry." Such has been the case as equities recovered from the mid-year panic provoked by the fiscal crisis in Greece. We believe it useful to present some of the significant macroeconomic issues that we consider most relevant to the equity markets.

Clearly, first and foremost is the widely expected announcement that the Federal Reserve will again engage in "quantitative easing." In our view, this process can be called by another name — counterfeiting. Simply put, the Fed will create money via the printing press and use this newly manufactured currency to purchase securities in the open market, with the intent of reducing interest rates and the hope of stimulating the sluggish U.S. economy.

Beyond amorphous psychological benefits, we do not see particular merit to this approach. In our opinion, the *rate* of interest is not restraining the U.S. economy. Large creditworthy corporations can borrow money on an extraordinarily attractive basis whereas many smaller companies, most entrepreneurs looking to start a business, and cash strapped consumers have failed to benefit from the Fed's largesse. Not to be trite, but it appears that funds are readily available to those who *do not need* them but come at a dear price, or not at all, for those who would benefit most. To our mind, the inequality of capital *availability* will remain a significant headwind for the U.S. economy.

It also is important to recognize that the current controversy involving faults and flaws in the bank loan foreclosure process further exacerbates this problem. Banks that are unable to resolve their non-performing assets will react to this incremental threat by reducing business risk, which translates directly into diminished credit availability.

Mid-term congressional elections also pose an interesting dynamic for the market. With outcomes that currently are unknowable, our operating hypothesis is that beyond tax policy there is little that will come out of Washington in the near term that will materially alter domestic economic or monetary conditions. Short-term interest rates will remain near zero, but credit availability will continue to be constrained for enterprises and individuals below the top quartile of creditworthiness. Although we hope that the Fed's pending quantitative easing will substantially bolster the economic recovery, we believe instead that its principal outcome will be further weakness in the dollar.

From an investment standpoint, we believe that our technology and medical device/supply holdings in particular benefit from a declining dollar. While this investment strategy is consistent with both the explicit and implicit policy of the U.S. government, it is important to recognize that currency volatility in the past has, and undoubtedly in the future will have, implications for the quarter to quarter performance of the Fund. Our investment performance through the middle part of the year was materially impacted by market concerns over a rapidly appreciating dollar. Conversely, the strong recovery by our technology holdings in recent months was enhanced by recent dollar declines and mitigation of this investment concern.

The prior discussion has touched only briefly on some of the broad economic challenges facing the economy. A more fulsome discussion would consider intractable levels of unemployment; worrisome debt levels for the consumer and state and local governments; the ongoing political and economic advancement of China; and the prospect of a global trade war arriving via a cycle of competitive currency devaluation.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## **Semi-Annual Investment Adviser's Report (Concluded) October 31, 2010 (Unaudited)**

These are challenging times and the road ahead is both unclear and pockmarked with potholes. That much is obvious. What is less obvious is how fear of the unknown has translated into undervaluation within specific equities.

We began this letter with a discussion of cloud computing, not to introduce jargon or technological hyperbole but to drive home a specific point: market myopia, be it with currency movements, quarterly earnings per share or the vagaries of the political firmament, creates powerful investment opportunities when one's investment process is predicated on valuation discipline and in-depth research.

We believe that profound investment opportunities exist in the marketplace today. Myriad macroeconomic concerns have pushed investors away from equities to the perceived safe harbor of fixed income. With yields at record lows, we believe that bonds, particularly those of longer duration, are actually risky investments that are unlikely to earn a return above inflation. Despite fortress balance sheets, strong free cash flows and steady earnings progress, we are consistently finding companies trading near historical valuation lows. We strongly believe that this dichotomy will resolve itself in favor of the undervalued equity.

We appreciate your support,

Private Capital Management

This letter is intended to assist shareholders in understanding how the Fund performed during the period ended October 31, 2010 and reflects the views of the investment adviser at the time of this writing. Of course, these views may change and they do not guarantee the future performance of the Fund or the markets.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Semi-Annual Report October 31, 2010 (Unaudited)

### Total Returns for the Period Ended October 31, 2010†

	<u>Since Inception</u>
<b>Class A Shares (without sales charge)*</b> .....	<b>3.96%</b>
<b>Class A Shares (with sales charge)*</b> .....	<b>-1.22%</b>
<b>Class I Shares**</b> .....	<b>5.00%</b>
<b>S&amp;P 500 Index</b> .....	<b>9.48%***</b>
<b>Russell 2000 Index</b> .....	<b>6.87%***</b>

† Not Annualized.

\* Class A Shares of the Private Capital Management Value Fund (the “Fund”) commenced operations on October 7, 2010.

\*\* Class I Shares of the Fund commenced operations on June 1, 2010.

\*\*\* Benchmark performance is from the inception date of the Fund (June 1, 2010) only and is not the inception date of the benchmark itself.

Class A Shares of the Fund have a 5.00% sales charge.

*The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher. Performance data current to the most recent month-end may be obtained by calling (888) 568-1267. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. The table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.*

*The Fund’s total annual Fund gross and net operating expense ratios are 1.85% and 1.25%, respectively, for Class A Shares and 1.60% and 1.00%, respectively, for Class I Shares of the Fund’s average daily net assets. These ratios are stated in the current prospectus and may differ from the actual expenses incurred by the Fund for the period covered by this report. Private Capital Management, L.P., (the “Adviser”) has contractually agreed to reduce its fees or reimburse the Fund’s operating expenses in order to limit the total annual operating expenses for Class A Shares and Class I Shares to 1.25% and 1.00%, respectively. Total returns would be lower had such fees and expenses not been waived and/or reimbursed. This agreement will terminate on August 31, 2013, unless the Trust’s Board of Trustees approves an earlier termination.*

*A 2.00% redemption fee applies to shares redeemed within 30 days of purchase. This redemption fee is not reflected in the returns shown above.*

*Mutual Fund investing involves risk and it is possible to lose money by investing in a fund. The Fund is non-diversified and may invest in a larger portion of its assets in the securities of a single issuer than a more diversified fund causing its value to fluctuate more widely. The fund may engage in strategies that are considered risky or invest in stocks of companies that are undervalued which may cause greater volatility and less liquidity.*

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## **Fund Expense Disclosure October 31, 2010 (Unaudited)**

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads), if any, and redemption fees; and (2) ongoing costs, including management fees and other Fund expenses. These examples are 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 Class A Shares example is based on an investment of \$1,000 invested at the beginning of the period from October 7, 2010 (date of commencement of operations) through October 31, 2010 and held for the entire period.

The Class I Shares example is based on an investment of \$1,000 invested at the beginning of the period from June 1, 2010 (date of commencement of operations) through October 31, 2010 and held for the entire period.

### **Actual Expenses**

The first line of the accompanying table 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 Period" to estimate the expenses you paid on your account during this period.

### **Hypothetical Example for Comparison Purposes**

The second line of the accompanying table 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 your 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 other funds.

Please note that the expenses shown in the accompanying table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees. Therefore, the second line of the accompanying table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Fund Expense Disclosure (Continued) October 31, 2010 (Unaudited)

	Private Capital Management Value Fund		
	Beginning Account Value <sup>(1)</sup>	Ending Account Value October 31, 2010	Expenses Paid During Period
Class A Shares*			
Actual . . . . .	\$1,000.00	\$1,039.60	\$0.84
Hypothetical (5% return before expenses)** . . . . .	1,000.00	1,018.82	6.38
Class I Shares***			
Actual . . . . .	\$1,000.00	\$1,050.00	\$4.30
Hypothetical (5% return before expenses)** . . . . .	1,000.00	1,020.10	5.10

<sup>(1)</sup> The Fund commenced operations on October 7, 2010 for Class A Shares and June 1, 2010 for Class I Shares. Beginning account value for the Hypothetical is May 1, 2010.

\* Expenses are equal to an annualized expense ratio for the period October 7, 2010 to October 31, 2010 of 1.25% for Class A Shares for the Fund, multiplied by the average account value over the period, multiplied by the number of days in the most recent period (24), then divided by 365 to reflect the period. The Fund's ending account value on the first line of the table is based on the actual total return since inception for the Fund of 3.96% for Class A Shares.

\*\* Expenses (hypothetical expenses if the Fund had been in existence from 5/1/10) are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period (184), then divided by 365.

\*\*\* Expenses are equal to an annualized expense ratio for the period June 1, 2010 to October 31, 2010 of 1.00% for Class I Shares for the Fund, multiplied by the average account value over the period, multiplied by the number of days in the most recent period (153), then divided by 365 to reflect the period. The Fund's ending account value on the first line in the table is based on the actual total return since inception for the Fund of 5.00% for Class I Shares.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Portfolio Holdings Summary Table October 31, 2010 (Unaudited)

The following table presents a summary by sector of the portfolio holdings of the Fund:

	<u>% of Net Assets</u>	<u>Value</u>
<b>COMMON STOCKS:</b>		
Information Technology . . .	36.8%	\$10,604,011
Financials . . . . .	14.6	4,199,612
Health Care . . . . .	14.5	4,177,910
Consumer Discretionary . . .	10.6	3,045,945
Industrials . . . . .	6.5	1,879,724
Energy . . . . .	5.4	1,560,851
Materials . . . . .	2.3	672,665
Telecommunication		
Services . . . . .	1.9	551,256
Consumer Staples . . . . .	1.6	472,633
Utilities . . . . .	1.2	330,794
Other Assets In Excess of Liabilities . . . . .	<u>4.6</u>	<u>1,338,332</u>
NET ASSETS . . . . .	<u>100.0%</u>	<u>\$28,833,733</u>

Portfolio holdings are subject to change at any time.

The accompanying notes are an integral part of the financial statements.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Portfolio of Investments October 31, 2010 (Unaudited)

	<u>Number of Shares</u>	<u>Value</u>
<b>COMMON STOCKS — 95.4%</b>		
<b>Consumer Discretionary — 10.6%</b>		
AutoNation, Inc.* . . . . .	30,400	\$ 705,888
Dover Downs Gaming & Entertainment, Inc. . . . .	141,842	493,610
Eastman Kodak Co.* . . . . .	62,900	296,259
H&R Block, Inc. . . . .	20,525	241,990
International Game Technology . . . . .	47,300	737,407
John Wiley & Sons, Inc. . . . .	13,225	570,791
		<u>3,045,945</u>
<b>Consumer Staples — 1.6%</b>		
Wal-Mart Stores, Inc. . . . .	8,725	472,633
<b>Energy — 5.4%</b>		
Golar LNG Energy, Ltd.* . . . . .	3,636	6,617
Golar LNG, Ltd. . . . .	25,450	337,467
Noble Corp. (Switzerland) . . . . .	7,900	272,787
Swift Energy Co.* . . . . .	10,000	318,500
Ultra Petroleum Corp.* . . . . .	15,200	625,480
		<u>1,560,851</u>
<b>Financials — 14.6%</b>		
AGF Management, Ltd. . . . .	7,700	125,100
Bank of Hawaii Corp. . . . .	14,400	621,936
Dundee Corp., Class A* . . . . .	39,600	590,176
Ezcorp, Inc., Class A* . . . . .	27,600	592,848
First American Financial Corp. . . . .	25,250	354,510
Northern Trust Corp. . . . .	10,925	542,208
Oppenheimer Holdings, Inc., Class A . . . . .	14,000	356,300
Raymond James Financial, Inc. . . . .	14,500	409,190
Suffolk Bancorp . . . . .	15,960	413,364
Willis Group Holdings PLC (Ireland) . . . . .	6,100	193,980
		<u>4,199,612</u>
<b>Health Care — 14.5%</b>		
Alere, Inc.* . . . . .	18,525	547,414
Covidien PLC (Ireland) . . . . .	16,000	637,920

	<u>Number of Shares</u>	<u>Value</u>
<b>COMMON STOCKS — (Continued)</b>		
<b>Health Care — (Continued)</b>		
Health Management Associates, Inc., Class A* . . . . .	96,900	\$ 776,169
Universal Health Services, Inc., Class B . . . . .	24,975	1,030,718
Valeant Pharmaceuticals International, Inc. . . . .	26,750	738,567
Zimmer Holdings, Inc.* . . . . .	9,425	447,122
		<u>4,177,910</u>
<b>Industrials — 6.5%</b>		
Consolidated Graphics Inc.* . . . . .	3,525	164,089
Mine Safety Appliances Co. . . . .	24,050	677,248
Triumph Group, Inc. . . . .	10,330	863,485
UTI Worldwide, Inc. . . . .	9,100	174,902
		<u>1,879,724</u>
<b>Information Technology — 36.8%</b>		
Avid Technology, Inc.* . . . . .	2,800	35,336
CA, Inc. . . . .	74,400	1,726,824
CoreLogic, Inc. . . . .	13,600	238,952
Cymer, Inc.* . . . . .	9,100	336,245
Electro Rent Corp. . . . .	22,180	329,595
Hewlett-Packard Co. . . . .	24,950	1,049,397
Imation Corp.* . . . . .	27,840	271,162
Mentor Graphics Corp.* . . . . .	70,200	758,160
Motorola, Inc.* . . . . .	144,800	1,180,120
Novellus Systems, Inc.* . . . . .	33,300	972,693
Progress Software Corp.* . . . . .	12,600	470,862
QUALCOMM, Inc. . . . .	18,180	820,463
Quantum Corp.* . . . . .	295,400	998,452
Symantec Corp.* . . . . .	87,500	1,415,750
		<u>10,604,011</u>
<b>Materials — 2.3%</b>		
Pope Resources LP . . . . .	21,650	672,665
<b>Telecommunication Services — 1.9%</b>		
Sprint Nextel Corp.* . . . . .	133,800	551,256

The accompanying notes are an integral part of the financial statements.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Portfolio of Investments (Continued) October 31, 2010 (Unaudited)

	Number of Shares	Value
<b>COMMON STOCKS — (Continued)</b>		
<b>Utilities — 1.2%</b>		
Black Hills Corp. . . . .	6,100	\$ 194,224
National Fuel Gas Co. . . . .	2,475	136,570
		330,794
 TOTAL COMMON STOCKS (Cost \$25,868,200) . . . . .		 27,495,401
TOTAL INVESTMENTS — 95.4% (Cost \$25,868,200) . . . . .		 27,495,401
OTHER ASSETS IN EXCESS OF LIABILITIES — 4.6% . . . .		1,338,332
NET ASSETS — 100.0% . . . . .		\$28,833,733

\* Non income producing.

The accompanying notes are an integral part of the financial statements.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Statement of Assets and Liabilities October 31, 2010 (Unaudited)

<b>Assets</b>	
Investments, at value (Cost \$25,868,200) . . . . .	\$ 27,495,401
Cash . . . . .	1,517,650
Receivable for investments sold . . . . .	261,055
Receivable for capital shares sold . . . . .	2,099
Dividends and interest receivable. . . . .	3,506
Receivable from Investment Adviser . . . . .	17,491
Prepaid expenses and other assets . . . . .	25,221
Total assets . . . . .	29,322,423
<b>Liabilities</b>	
Payable for capital shares redeemed . . . . .	440,546
Payable for transfer agent fees . . . . .	13,265
Payable for administration and accounting fees . . . . .	8,247
Payable for custodian fees. . . . .	3,654
Payable for Trustees and Officers . . . . .	966
Payable for distribution fees. . . . .	5
Accrued expenses . . . . .	22,007
Total liabilities . . . . .	488,690
Net Assets . . . . .	\$ 28,833,733
<b>Net Assets Consisted of:</b>	
Paid-in capital . . . . .	\$ 27,219,279
Accumulated net investment income . . . . .	373
Accumulated net realized loss from investments . . . . .	(13,120)
Net unrealized appreciation on investments . . . . .	1,627,201
Net Assets . . . . .	\$ 28,833,733
<b>Class A:</b>	
Net asset value, offering and redemption price per share (\$36,256 / 3,452) . . . . .	\$ 10.50
Maximum offering price per share (100/95 of \$10.50) . . . . .	\$ 11.05
<b>Class I:</b>	
Net asset value, offering and redemption price per share (\$28,797,477 / 2,742,653) . . . . .	\$ 10.50

The accompanying notes are an integral part of the financial statements.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Statement of Operations For the Period Ended October 31, 2010\* (Unaudited)

### Investment Income

Dividends . . . . .	\$	110,126
Less: foreign taxes withheld . . . . .		(1,263)
Interest . . . . .		313
		109,176

### Expenses

Advisory fees (Note 2) . . . . .		97,926
Administration and accounting fees (Note 2) . . . . .		33,154
Transfer agent fees (Note 2) . . . . .		22,770
Registration and filing fees . . . . .		18,886
Audit fees . . . . .		8,661
Custodian fees (Note 2) . . . . .		8,580
Trustees' and officers' fees . . . . .		8,525
Legal fees . . . . .		8,113
Printing and shareholder reporting fees . . . . .		4,600
Distribution fees (Class A) (Note 2) . . . . .		5
Other expenses . . . . .		5,437
		216,657
Total expenses before waivers and reimbursements . . . . .		216,657
Less: waivers and reimbursements (Note 2) . . . . .		(107,854)
Net expenses after waivers and reimbursements . . . . .		108,803
Net investment income . . . . .		373

### Net realized and unrealized gain (loss) from investments:

Net realized loss from investments . . . . .		(13,120)
Net change in unrealized appreciation on investments . . . . .		1,627,201
		1,614,081

**Net increase in net assets resulting from operations** . . . . . **\$ 1,614,454**

\* The Fund commenced investment operations on June 1, 2010.

The accompanying notes are an integral part of the financial statements.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Statement of Changes in Net Assets

	For the Period Ended October 31, 2010* (Unaudited)
<b>Increase in net assets from operations:</b>	
Net investment income . . . . .	\$ 373
Net realized loss from investments . . . . .	(13,120)
Net change in unrealized appreciation on investments . . . . .	1,627,201
Net increase in net assets resulting from operations . . . . .	<u>1,614,454</u>
<b>Increase in Net Assets Derived from Capital Share Transactions (Note 4) . . . . .</b>	<u>27,219,279</u>
Total increase in net assets . . . . .	<u>28,833,733</u>
<b>Net assets</b>	
Beginning of period . . . . .	—
End of period . . . . .	<u>\$ 28,833,733</u>
Accumulated net investment income, end of period . . . . .	<u>\$ 373</u>

\* The Fund commenced investment operations on June 1, 2010.

The accompanying notes are an integral part of the financial statements.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Financial Highlights

Contained below is per share operating performance data for Shares outstanding, total investment return, ratios to average net assets and other supplemental data for the respective period. The total returns in the table represent the rate that an investor would have earned or lost on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been derived from information provided in the financial statements and should be read in conjunction with the financial statements and the notes thereto.

	<u>Class A</u>
	<u>For the Period</u>
	<u>October 7, 2010*</u>
	<u>to October 31, 2010</u>
	<u>(Unaudited)</u>
<b>Per Share Operating Performance</b>	
Net asset value, beginning of period . . . . .	\$ 10.10
Net investment loss . . . . .	(0.01) <sup>(1)</sup>
Net realized and unrealized gain on investments . . . . .	0.41 <sup>(1)</sup>
Net increase in net assets resulting from operations . . . . .	0.40
Net asset value, end of period . . . . .	<u>\$ 10.50</u>
Total investment return <sup>(2)</sup> . . . . .	3.96% <sup>(3)</sup>
<b>Ratios/Supplemental Data</b>	
Net assets, end of period (000's omitted) . . . . .	\$ 36
Ratio of expenses to average net assets . . . . .	1.25% <sup>(4)</sup>
Ratio of expenses to average net assets without waivers and expense reimbursements . . . . .	2.24% <sup>(4)</sup>
Ratio of net investment (loss) to average net assets . . . . .	(1.25)% <sup>(4)</sup>
Portfolio turnover rate . . . . .	8.53% <sup>(3)</sup>

\* Commencement of operations.

(1) The selected per share data was calculated using the average shares outstanding method for the period.

(2) Total investment return is calculated assuming a purchase of shares on the first day and a sale of shares on the last day of each period reported and includes reinvestment of dividends and distributions, if any. Total returns for periods less than one year are not annualized.

(3) Not annualized.

(4) Annualized.

The accompanying notes are an integral part of the financial statements.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Financial Highlights

Contained below is per share operating performance data for Shares outstanding, total investment return, ratios to average net assets and other supplemental data for the respective period. The total returns in the table represent the rate that an investor would have earned or lost on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been derived from information provided in the financial statements and should be read in conjunction with the financial statements and the notes thereto.

	<u>Class I</u>
	<u>For the Period</u>
	<u>June 1, 2010*</u>
	<u>to October 31, 2010</u>
	<u>(Unaudited)</u>
<b>Per Share Operating Performance</b>	
Net asset value, beginning of period . . . . .	\$ 10.00
Net investment income . . . . .	— <sup>(1)(2)</sup>
Net realized and unrealized gain on investments . . . . .	<u>0.50<sup>(1)</sup></u>
Net increase in net assets resulting from operations . . . . .	<u>0.50</u>
Net asset value, end of period . . . . .	<u>\$ 10.50</u>
Total investment return <sup>(3)</sup> . . . . .	5.00% <sup>(4)</sup>
<b>Ratios/Supplemental Data</b>	
Net assets, end of period (000's omitted) . . . . .	\$ 28,797
Ratio of expenses to average net assets . . . . .	1.00% <sup>(5)</sup>
Ratio of expenses to average net assets without waivers and expense reimbursements . . . . .	1.99% <sup>(5)</sup>
Ratio of net investment income to average net assets . . . . .	—% <sup>(5)(6)</sup>
Portfolio turnover rate . . . . .	8.53% <sup>(4)</sup>

\* Commencement of operations.

(1) The selected per share data was calculated using the average shares outstanding method for the period.

(2) Amount is less than \$0.01 per share.

(3) Total investment return is calculated assuming a purchase of shares on the first day and a sale of shares on the last day of each period reported and includes reinvestment of dividends and distributions, if any. Total returns for periods less than one year are not annualized.

(4) Not annualized.

(5) Annualized.

(6) Amount is less than 0.01%.

The accompanying notes are an integral part of the financial statements.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Notes to Financial Statements October 31, 2010 (Unaudited)

### 1. Organization and Significant Accounting Policies

The Private Capital Management Value Fund (the “Fund”) is a non-diversified, open-end management investment company registered under the Investment Company Act of 1940, as amended, (the “1940 Act”), which commenced investment operations on June 1, 2010. The Fund is a separate series of FundVantage Trust (the “Trust”) which was organized as a Delaware statutory trust on August 28, 2006. The Trust is a “series trust” authorized to issue an unlimited number of separate series or classes of shares of beneficial interest. Each series is treated as a separate entity for certain matters under the 1940 Act, and for other purposes, and a shareholder of one series is not deemed to be a shareholder of any other series. As of October 31, 2010, there were nine series of the Trust that were operational, including the Fund. The Fund offers separate classes of shares, Class A, Class C, Class I and Class R Shares. Class A Shares are sold subject to a front-end sales charge. Front-end sales charges may be reduced or waived under certain circumstances. As of October 31, 2010, Class C and Class R Shares had not been issued.

**PORTFOLIO VALUATION** — The Fund’s net asset value (“NAV”) is calculated once daily at the close of regular trading hours on the New York Stock Exchange (“NYSE”) (typically 4:00 p.m. Eastern time) on each day the NYSE is open. Securities held by the Fund are valued using the closing price or the last sale price on a national securities exchange or the National Association of Securities Dealers Automatic Quotation System (“NASDAQ”) market system where they are primarily traded. Equity securities traded in the over-the-counter market are valued at their closing prices. If there were no transactions on that day, securities traded principally on an exchange or on NASDAQ will be valued at the mean of the last bid and ask prices prior to the market close. Fixed income securities having a remaining maturity of greater than 60 days are valued using an independent pricing service. Fixed income securities having a remaining maturity of 60 days or less are generally valued at amortized cost. Foreign securities are valued based on prices from the primary market in which they are traded and are translated from the local currency into U.S. dollars using current exchange rates. Investments in other open-end investment companies are valued based on the NAV of the investment companies (which may use fair value pricing as discussed in their prospectuses). If market quotations are unavailable or deemed unreliable, securities will be valued in accordance with procedures adopted by the Trust’s Board of Trustees. Relying on prices supplied by pricing services or dealers or using fair valuation may result in values that are higher or lower than the values used by other investment companies and investors to price the same investments.

**Fair Value Measurements** — The inputs and valuations techniques used to measure fair value of the Fund’s net assets are summarized into three levels as described in the hierarchy below:

- 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)

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Notes to Financial Statements (Continued) October 31, 2010 (Unaudited)

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, as of October 31, 2010, in valuing the Fund's assets carried at fair value:

	<u>Total Value at 10/31/10</u>	<u>Level 1 Quoted Price</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Investments in Securities* . . . . .	<u>\$27,495,401</u>	<u>\$27,495,401</u>	<u>\$—</u>	<u>\$—</u>

\* Please refer to Portfolio of Investments for further details.

At the end of each calendar quarter, management evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, management evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.

For the period ended October 31, 2010, there were no transfers between Level 1 and 2.

**USE OF ESTIMATES** — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) 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 period. Actual results could differ from those estimates and those differences could be material.

**INVESTMENT TRANSACTIONS, INVESTMENT INCOME AND EXPENSES** — Investment transactions are recorded on trade date for financial statement preparation purposes. As prescribed by the 1940 Act, investment transactions not settling on the same day are recorded and factored into a fund's NAV on the business day following trade date (T+1). Realized gains and losses on investments sold are recorded on the identified cost basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Distribution (12b-1) fees relating to a specific class are charged directly to that class. Fund level expenses common to all classes, investment income and realized and unrealized gains and losses on investments are allocated to each class based upon the relative daily net assets of each class. General expenses of the Trust are allocated to each fund in proportion to its relative daily net assets. Expenses directly attributable to a particular fund in the Trust are charged directly to that fund.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Notes to Financial Statements (Continued) October 31, 2010 (Unaudited)

**DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS** — Dividends from net investment income and distributions from net realized capital gains, if any, are declared, recorded on ex-date and paid at least annually to shareholders. Income dividends and capital gain distributions are determined in accordance with U.S. federal income tax regulations, which may differ from GAAP. These differences include the treatment of non-taxable dividends, expiring capital loss carryforwards and losses deferred due to wash sales and excise tax regulations. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications within the components of net assets.

**U.S. TAX STATUS** — No provision is made for U.S. income taxes as it is the Fund's intention to qualify for and elect the tax treatment applicable to regulated investment companies under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to its shareholders which will be sufficient to relieve it from U.S. income and excise taxes.

**OTHER** — In the normal course of business, the Fund may enter into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on claims that may be made against the Fund in the future, and therefore, cannot be estimated; however, based on experience, the risk of material loss for such claims is considered remote.

## 2. Transactions with Affiliates and Related Parties

Private Capital Management, L.P. ("Private Capital" or the "Adviser"), serves as investment adviser to the Fund pursuant to an investment advisory agreement with the Trust (the "Advisory Agreement"). For its services, the Adviser is paid a monthly fee at the annual rate of 0.90% of the Fund's average daily net assets. Private Capital has contractually agreed to waive or otherwise reduce its annual compensation received from the Fund to the extent that the Fund's "Total Annual Fund Operating Expenses," excluding taxes, "Acquired Fund Fees and Expenses," interest, extraordinary items and brokerage commissions exceed 1.25% and 1.00% of the average daily net assets of the Fund (the "Expense Limitation") for Class A and Class I Shares, respectively. The Expense Limitation shall remain in effect until August 31, 2013, unless the Board of Trustees approves its earlier termination. Subject to approval by the Board of Trustees, the Adviser may recoup any expenses or fees it has reimbursed within a three-year period from the year in which the Adviser reduced its compensation and/or assumed expenses of the Fund. As of October 31, 2010, the amount of potential recovery was as follows:

<b>Expiration</b>
<b><u>April 30, 2014</u></b>
<b>\$107,854</b>

For the period ended October 31, 2010, investment advisory fees accrued and waived were \$97,926 and fees reimbursed by the Adviser were \$9,928. At October 31, 2010, \$17,491 was due from the Adviser for reimbursement of other expenses.

BNY Mellon Investment Servicing (US) Inc. ("BNY Mellon"), formerly known as PNC Global Investment Servicing (U.S.) Inc., serves as administrator and transfer agent for the Fund. For providing administrative and accounting services, BNY Mellon is entitled to receive a monthly fee equal to an annual percentage rate of the Fund's average daily net assets and is subject to certain minimum monthly fees.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Notes to Financial Statements (Continued) October 31, 2010 (Unaudited)

For providing transfer agent services, BNY Mellon is entitled to receive a monthly fee equal to an annual percentage rate of the Fund's average daily net assets and is subject to certain minimum monthly fees.

PFPC Trust Company ("PFPC Trust") is a member of BNY Mellon and provides certain custodial services to the Fund. PFPC Trust is entitled to receive a monthly fee equal to an annual percentage rate of the Fund's average daily net assets and is subject to certain minimum monthly fees.

BNY Mellon Distributors Inc. (the "Underwriter"), formerly known as PFPC Distributors, Inc., provides principal underwriting services to the Fund.

The Trust and the Underwriter are parties to an underwriting agreement effective July 1, 2010. The Trust has adopted a distribution plan for Class A Shares in accordance with Rule 12b-1 under the 1940 Act. Pursuant to the Class A Shares plan, the Fund compensates the Underwriter for direct and indirect costs and expenses incurred in connection with advertising, marketing and other distribution services in an amount not to exceed 0.25% on an annualized basis of the average daily net assets of the Fund's Class A Shares.

The Trustees of the Trust who are not affiliated with BNY Mellon receive an annual retainer and out-of-pocket expenses for meetings attended. The remuneration paid to the Trustees by the Fund during the period ended October 31, 2010 was \$1,551. Certain employees of BNY Mellon are Officers and Trustees of the Trust. They are not compensated by the Fund or the Trust.

### 3. Investment in Securities

From the commencement of operations on June 1, 2010 to October 31, 2010, aggregate purchases and sales of investment securities (excluding short-term investments) of the Fund were as follows:

	<u>Purchases</u>	<u>Sales</u>
Investment Securities .....	\$28,006,356	\$2,125,035

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Notes to Financial Statements (Continued) October 31, 2010 (Unaudited)

### 4. Capital Share Transactions

For the period ended transactions in capital shares (authorized shares unlimited) were as follows:

	For the Period Ended October 31, 2010 (Unaudited)	
	Shares	Value
Class A Shares*		
Sales .....	<u>3,452</u>	<u>\$ 35,000</u>
Net Increase .....	<u>3,452</u>	<u>\$ 35,000</u>
Class I Shares**		
Sales .....	2,897,692	\$28,677,895
Redemptions .....	<u>(155,039)</u>	<u>(1,493,616)</u>
Net Increase .....	<u>2,742,653</u>	<u>\$27,184,279</u>

\* Class A Shares commenced operations on October 7, 2010.

\*\* Class I Shares commenced operations on June 6, 2010.

As of October 31, 2010, the following shareholder held, of record or beneficially, 10% or more of the outstanding shares of the Fund: Charles Schwab & Co., Inc. Special Custody Account for the Benefit of Customers (100%).

### 5. Federal Tax Information

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years and has concluded that no provision for federal income tax is required in the Fund's financial statements. The Fund's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

At October 31, 2010, the federal tax cost, aggregate gross unrealized appreciation and depreciation of securities held by the Fund were as follows:

Federal tax cost .....	<u>\$25,868,200</u>
Gross unrealized appreciation .....	\$ 2,695,811
Gross unrealized depreciation .....	<u>(1,068,610)</u>
Net unrealized appreciation .....	<u>\$ 1,627,201</u>

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## **Notes to Financial Statements (Concluded) October 31, 2010 (Unaudited)**

### **6. New Accounting Pronouncement**

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-06, “Improving Disclosures about Fair Value Measurements.” ASU No. 2010-06 amends FASB Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures, to require additional disclosures regarding fair value measurements. Certain disclosures required by ASU No. 2010-06 are effective for interim and annual reporting periods beginning after December 15, 2009, and other required disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Management has evaluated the impact and has incorporated the appropriate disclosures required by ASU No. 2010-06 in its financial statement disclosures.

### **7. Subsequent Event**

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## Other Information (Unaudited)

### Proxy Voting

Policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities as well as information regarding how the Fund voted proxies relating to portfolio securities for the most recent 12-month period ended June 30 are available without charge, upon request, by calling (888) 568-1267 and on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

### Quarterly Portfolio Schedules

The Trust will file its complete schedule of portfolio holdings with the SEC for the first and third fiscal quarters of each fiscal year (quarters ended July 31 and January 31) on Form N-Q. The Trust's Form N-Q will be available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling (202) 551-8090.

### Approval of Investment Advisory Agreement with Private Capital Management, L.P.

At a meeting held on December 11, 2009, the Board of Trustees (the "Board"), including a majority of the Trustees who are not "interested persons" as defined in the Investment Company Act of 1940 (the "Independent Trustees"), unanimously approved an advisory agreement between Private Capital Management L.P. ("PCM" or "Adviser") and FundVantage Trust (the "Trust") on behalf of the Private Capital Management Value Fund ("PCM Value Fund") ("Agreement"). In determining whether to approve the Agreement, the Trustees considered information provided by PCM in accordance with Section 15(c) of the 1940 Act. The Trustees considered information that PCM provided regarding (i) proposed services to be performed for the Trust and the PCM Value Fund, (ii) the size and qualifications of its portfolio management staff, (iii) any potential or actual material conflicts of interest which may arise in connection with a portfolio manager's management of the PCM Value Fund, (iv) investment performance of similarly managed accounts, if available, (v) brokerage selection procedures (including soft dollar arrangements), (vi) the procedures for allocating investment opportunities between the PCM Value Fund and other clients, (vii) results of any independent audit or regulatory examination, including any recommendations or deficiencies noted, (viii) any litigation, investigation or administrative proceeding which may have a material impact on PCM's ability to service the PCM Value Fund, (ix) the compliance with federal securities laws and other regulatory requirements, and (x) proxy voting policies.

The Trustees reviewed the performance of a corporate defined contribution plan that PCM has managed and PCM's Commission Fee Account Total Return Composite and noted both had outperformed the S&P 500 Index for the year-to-date through September 30, 2009 period, the trailing ten-year period and the since inception period beginning in 1987.

PCM provided information regarding its proposed advisory fee and an analysis of its fee in relation to the services to the PCM Value Fund, the estimated cost of providing such services, the anticipated profitability of the firm in general and as a result of the fees to be received from the PCM Value Fund and any other ancillary benefit resulting from PCM's relationship with the PCM Value Fund. The Trustees also considered the structure of and the method used to determine the compensation received by a portfolio manager and PCM's most recent

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## **Other Information (Continued)** **(Unaudited)**

financial statements. The Trustees also reviewed a peer comparison of advisory fees and total expenses for the PCM Value Fund versus other similarly managed funds.

The Trustees reviewed the services to be provided to the PCM Value Fund by PCM and concluded that the nature, extent and quality of the services to be provided were appropriate and consistent with the terms of the Agreement, that the quality of the proposed services appeared to be consistent with industry norms and the PCM Value Fund is likely to benefit from the provision of those services. They also concluded that PCM has sufficient personnel, with the appropriate education and experience, to serve the PCM Value Fund effectively.

The Trustees considered the costs and services to be provided by PCM, the proposed compensation and expected benefits received by PCM in providing services to the PCM Value Fund, as well as PCM's anticipated profitability. The Trustees concluded that PCM's anticipated fees derived from its relationship with the Trust in light of the PCM Value Fund's estimated total expenses, were reasonable in relation to the nature and quality of the services provided, taking into account the fees charged by other advisers for managing comparable mutual funds with similar strategies. The Trustees also concluded that the overall estimated expense ratio of the PCM Value Fund is reasonable, taking into account the projected growth and size of the Fund and the quality of services to be provided by PCM.

The Trustees considered the extent to which economies of scale would be realized relative to fee levels as the PCM Value Fund grows, and whether the advisory fee levels reflect these economies of scale for the benefit of shareholders. The Board determined that economies of scale should be achieved at higher asset levels for the PCM Value Fund for the benefit of fund shareholders.

In voting to approve the Agreement, the Board considered all relevant factors and the information presented to the Board by PCM. In arriving at its decision, the Board did not identify any single factor as being of paramount importance and each member of the Board gave varying weights to each factor according to his own judgment. The Board determined that they had received adequate information and were able to conclude that the approval of the Agreement would be in the best interests of the PCM Value Fund and its shareholders. As a result, the Board, including a majority of the Independent Trustees, approved the Agreement.

# PRIVATE CAPITAL MANAGEMENT VALUE FUND

## **Privacy Notice (Unaudited)**

The privacy of your personal financial information is extremely important to us. When you open an account with us, we collect a significant amount of information from you in order to properly invest and administer your account. We take very seriously the obligation to keep that information private and confidential, and we want you to know how we protect that important information.

We collect nonpublic personal information about you from applications or other forms you complete and from your transactions with us or our affiliates. We do not disclose information about you, or our former clients, to our affiliates or to service providers or other third parties, except as permitted by law. We share only the information required to properly administer your accounts, which enables us to send transaction confirmations, monthly or quarterly statements, financials and tax forms. Even within FundVantage Trust and its affiliated entities, a limited number of people who actually service accounts will have access to your personal financial information. Further, we do not share information about our current or former clients with any outside marketing groups or sales entities.

To ensure the highest degree of security and confidentiality, FundVantage Trust and its affiliates maintain various physical, electronic and procedural safeguards to protect your personal information. We also apply special measures for authentication of information you request or submit to us on our web site.

If you have questions or comments about our privacy practices, please call us at (888) 568-1267.

**Investment Adviser**

Private Capital Management, L.P.  
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Naples, FL 34108

**Administrator**

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760 Moore Road  
King of Prussia, PA 19406

**Transfer Agent**

BNY Mellon Investment Servicing (US) Inc.  
760 Moore Road  
King of Prussia, PA 19406

**Underwriter**

BNY Mellon Distributors Inc.  
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King of Prussia, PA 19406

**Custodian**

PFPC Trust Company  
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Wilmington, DE 19809

**Independent Registered Public Accounting Firm**

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P R I V A T E  
C A P I T A L

Management

**PRIVATE CAPITAL  
MANAGEMENT  
VALUE FUND**

*of*

**FundVantage Trust**

Class A Shares

Class I Shares

**SEMI-ANNUAL REPORT**

October 31, 2010

(Unaudited)

This report is submitted for the general information of the shareholders of the Private Capital Management Value Fund. It is not authorized for distribution unless preceded or accompanied by a current prospectus for the Private Capital Management Value Fund. Shares of the Private Capital Management Value Fund are distributed by BNY Mellon Distributors Inc., 760 Moore Road, King of Prussia, PA 19406.