Small-Mid Cap Growth Fund

William Blair

Portfolio Review

September 2016

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Please refer to the final two pages of this Quarterly Review for definitions of the financial terms used in this report.

The Fund's returns will vary, and you could lose money by investing in the Fund. The Fund invests most of its assets in equity securities of small cap domestic growth companies where the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. Individual securities may not perform as expected or a strategy used by the Adviser may fail to produce its intended result. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Small cap stocks are also more sensitive to purchase/sale transactions and changes in the issuer's financial condition. These risks are intensified for investments in micro-cap companies. Individual securities may not perform as expected or a strategy used by the Adviser may fail to produce its intended result. Convertible securities may be called before intended, which may have an adverse effect on investment objectives. The Fund is not intended to be a complete investment program. The Fund is designed for long-term investors.

The views expressed in this report and the information about the Small-Mid Cap Growth Fund holdings are as of the quarter ended 9/30/2016 and are subject to change thereafter. Information about the Fund's holdings should not be considered investment advice. There is no guarantee that the Fund will continue to hold any one particular security or stay invested in any one particular sector. Holdings are subject to change at any time.

Performance cited represents past performance. Past Performance does not guarantee future results and current performance may be lower or higher than the data quoted. Investment returns and principal will fluctuate with market and economic conditions and you may have a gain or loss when you sell shares. Current performance may be lower or higher than the data quoted.

Most recent month-end performance information for the Small-Mid Cap Growth Fund is available by visiting the William Blair Funds Web site at www.williamblairfunds.com, or by calling the William Blair Funds at 1-800-742-7272.

Investing includes the risk of loss. Please carefully consider the Fund's investment objective, risks, charges, and expenses before investing. This and other information is contained in the Fund's prospectus, which you may obtain by calling 1-800-742-7272. Read it carefully before you invest or send money.

Following an initial sell-off after the Brexit vote, the market ended the second quarter with a three-day rally that spilled over into the third quarter as positive momentum and optimism pushed most major U.S. equity benchmarks higher to start the quarter. Leading economic indicators in the U.S., such as the ISM Manufacturing Index and initial jobless claims, were encouraging and global central banks pledged to keep accommodative monetary policies in place pushing equity indices in the U.S. to at or near all-time highs by mid-August. While equity market returns were strongly positive through mid-August, investors then became concerned that the Federal Open Market Committee (FOMC) could raise the target level for the federal funds rate at their meeting in September. Softer economic reports in early September dampened the expectation of a rate hike later that month which ultimately proved to be true as the target rate was left unchanged. Returns for major U.S. equity indices, while positive for the quarter overall, were relatively flat in the final two months as investors digested what the mixed data points and lack of action by the FOMC meant for the overall economy. Company earnings growth was not robust with many companies citing headwinds such as a strong U.S. Dollar and wage growth. Outperforming in the quarter were stocks of cyclical companies while more defensive segments of the market lagged. Volatility, as measured by the VIX Index, reached its lowest level of 2016 in August and was muted for much of the third quarter.

The Small-Mid Growth Fund (Class N) underperformed its benchmark, the Russell 2500 Growth Index, in the third quarter due to a combination of stock-specific and style factors. Specific to stocks, our top two detractors from relative performance were Tractor Supply Company in Consumer Discretionary and Ligand Pharmaceuticals in Health Care. Tractor Supply Company, a specialty retailer focused on the needs and lifestyle of the rural consumer, underperformed after company management lowered forward-looking sales and earnings guidance in response to unseasonal weather and increased economic headwinds impacting some of its end markets exposed to energy and agriculture. Biotechnology company Ligand Pharmaceuticals underperformed after Kyprolis, a multiple myeloma (MM) drug from which Ligand receives royalties, failed clinical trials that would have expanded how the drug is used treating MM patients. Other top stock detractors in the quarter were Cambrex (Health Care), Six Flags (Consumer Discretionary) and MEDNAX (Health Care). The most notable contributors to relative performance were personal care and nutritional supplement developer Nu Skin Enterprises (Consumer Discretionary) and molecular diagnostics company Exact Sciences (Health Care). Nu Skin outperformed after it announced positive financial results for the prior quarter and a settlement with the SEC. The settlement removed regulatory uncertainty surrounding the company. Exact Sciences outperformed after announcing strong second quarter financial results and positive news with respect to expansion of coverage by commercial insurers for its colorectal screening test, Cologuard. Other top contributors in the quarter were 2U (Information Technology), Mettler-Toledo International (Health Care) and IDEXX Laboratories (Health Care). From a style perspective, our larger market cap bias was a headwind as smaller companies in the benchmark outperformed. Our style-driven industry biases in Information Technology and Health Care were also headwinds. For example, our underweight to Semiconductors in Information Technology and our underweight to Biotechnology and overweight to Health Care Providers and Services in Health Care contributed to lagging portfolio returns in those sectors.

For the year-to-date period, style factors were mostly offsetting while stock-specific issues caused the portfolio to underperform its benchmark. Our style-driven underweight to companies with less volatile fundamentals helped relative performance while our larger market cap bias detracted from relative performance. The negative effect from our larger market cap bias was concentrated primarily in the third quarter. Tractor Supply Company (Consumer

Discretionary) and j2 Global (Information Technology) were the top stock detractors from relative performance in the period. As mentioned above, Tractor Supply Company underperformed due to weather-related and end market issues when it reported second quarter financial results. j2 Global, which provides communication services and manages online media properties, underperformed following a negative report released by a well-known short seller in March that criticized the company and put pressure on the stock price. We view the concerns addressed in the report as unfounded. Other top detractors for the period were Cvent (Information Technology), Jones Lang LaSalle (Real Estate) and Signature Bank (Financials). Conversely, Nu Skin Enterprises (Consumer Discretionary), for reasons cited above, was the top contributor to relative performance for the year-to-date period. Another top contributor was veterinary products and services company IDEXX Laboratories (Health Care) which reported strong financial results in multiple quarters this year causing the stock to outperform. Other top contributors were Diamondback Energy (Energy), Align Technology (Health Care) and ABIOMED (Health Care).

Looking forward, at the forefront of investors' minds in the U.S. are the potential rate hike by the FOMC and the looming presidential election. It is unlikely that the FOMC will raise the target federal funds rate when it meets ahead of the U.S. presidential election in November, but it appears more likely that they will increase the target rate when they meet in December. Recent statements by the FOMC seem to support a rate increase in December although the committee continues to be "data dependent" and closely monitor domestic inflation and global economic and financial developments. Investors have also focused their attention on the upcoming U.S. presidential election. Hillary Clinton appears to be the "status-quo" candidate while there is more uncertainty as to what policies Donald Trump will pursue if he is elected. While we discuss the investment risks and implications of potential rate hikes and the presidential election, we do not position the portfolio based on possible outcomes from either event. We believe that we can add the most value by investing in quality companies that can grow their earnings faster than the market over the long term.

Globally, many risks remain such as the potential effects of Brexit, geopolitical concerns in the Middle East and possible effects of rising interest rates on Emerging Markets. It is likely that the United Kingdom will enact Article 50 of the European Union's Treaty of Lisbon in 2017 which will begin the process of the UK formally exiting the EU. Few details are known as to how this process will play out, but it is likely to have ramifications beyond both the UK and EU. In Syria and the broader Middle East, regional conflict continues and the risk of spillover into a wider conflict with countries such as the U.S. and Russia remains. In many Emerging Markets including China, growth has slowed in recent years. Higher interest rates in the U.S. could mean higher borrowing costs for some emerging economies which has the potential to slow global growth.

We believe it is likely that we are past the midpoint in post-Global Financial Crisis recovery and, hence, the risks of an economic slowdown are higher than they have been in the recent past. Slow U.S. and global growth, potential adverse effects from Brexit, rising wages, and currency headwinds are all likely to keep corporate profit growth challenging. In this challenging environment, it is our view that earnings growth is likely to be the driver of stock performance. As always, we believe our time is best spent focusing on companies with durable, consistent business models that are less dependent on the macroeconomic or political environment to grow earnings over time.

	Value	Core	Growth
Month to Date			
Russell 3000	-0.13	0.16	0.45
Russell 1000	-0.21	0.08	0.37
Russell Midcap	0.42	0.20	-0.05
Russell 2500	0.66	0.48	0.29
Russell 2000	0.79	1.11	1.44
Quarter to Date			
Russell 3000	3.87	4.40	4.92
Russell 1000	3.48	4.03	4.58
Russell Midcap	4.45	4.52	4.59
Russell 2500	6.18	6.56	6.98
Russell 2000	8.87	9.05	9.22
Year to Date			
Russell 3000	10.40	8.18	6.12
Russell 1000	10.00	7.92	6.00
Russell Midcap	13.72	10.26	6.84
Russell 2500	14.51	10.80	6.95
Russell 2000	15.49	11.46	7.48

Market Performance

- Investor enthusiasm waivered in September as a disappointing employment report and a deceleration in wage growth early in the month seemed to raise concerns that the domestic economic momentum of the last few months may have slowed, resulting in the Federal Reserve again to hold off on raising interest rates.
- Globally, central bank meetings and the risks associated with policy decisions will continue to be a major focus for investors. In addition, the upcoming U.S. presidential election will be monitored closely and volatility could increase off near lows leading up to and after the election.

Style Performance

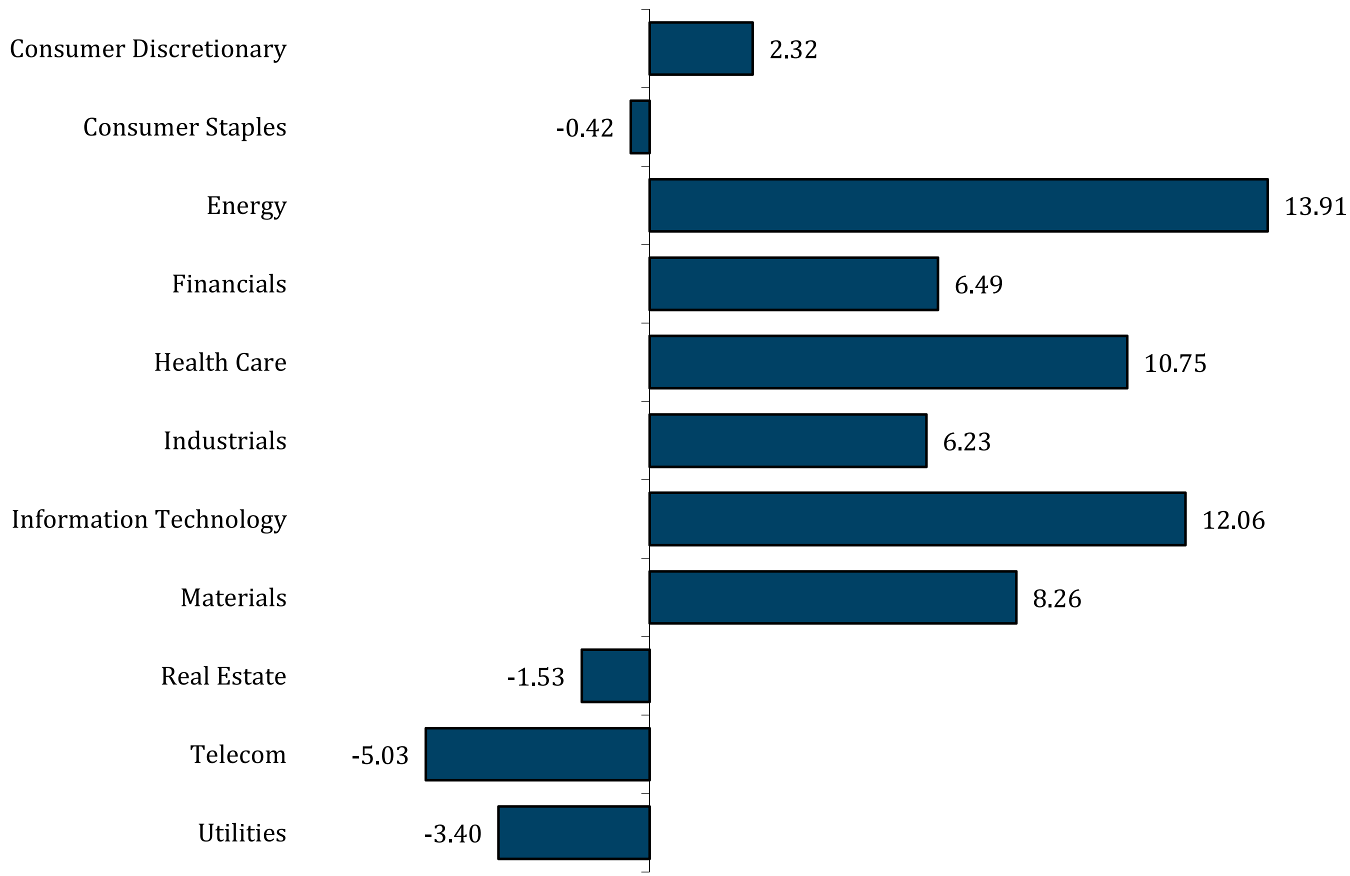
- Style performance was mixed in September with growth outperforming value in the large and small cap segments while value led growth in the mid cap segments.
- While growth outperformed value during the quarter, value continues to outperform growth YTD with the dispersion of returns between the value and growth benchmarks increasing down the market cap spectrum.

Market Cap Performance

- Small caps again outperformed large and mid caps in September with large caps trailing in the value benchmarks and mid caps trailing in the growth benchmarks.
- Performance for the quarter and YTD was linear across the market cap spectrum with small caps outperforming large caps in both the growth and value benchmarks.

Performance data calculated in Eagle and FactSet. **Past returns are no guarantee of future performance.** A direct investment in an index is not possible. Please refer to the appendix for additional index information.

Russell 2500 Growth Total Return
Q3 2016



Data calculated in Opturo. Past returns are no guarantee of future performance. A direct investment in an index is not possible. The Russell 2500 Growth Index measures the performance of those Russell 2500 Companies with higher price-to-book ratios and higher forecasted growth values. Real Estate was added as a GICS sector effective 9/1/16. Assignment to this sector has been applied retroactively to the index holdings.

Periods ended 9/30/2016	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Small-Mid Cap Growth Fund (WSMNX) Class N	2.78%	3.78%	6.71%	8.03%	15.67%	9.24%
Small-Mid Cap Growth Fund (WSMDX) Class I	2.88%	4.00%	7.04%	8.32%	15.96%	9.51%
Russell 2500 Growth	6.98%	6.95%	11.02%	7.43%	16.20%	8.82%

Small-Mid Cap Growth Fund Expense Ratios:

	Gross	**Capped**
Class N Shares	1.42%	1.35%
Class I Shares	1.15%	1.10%

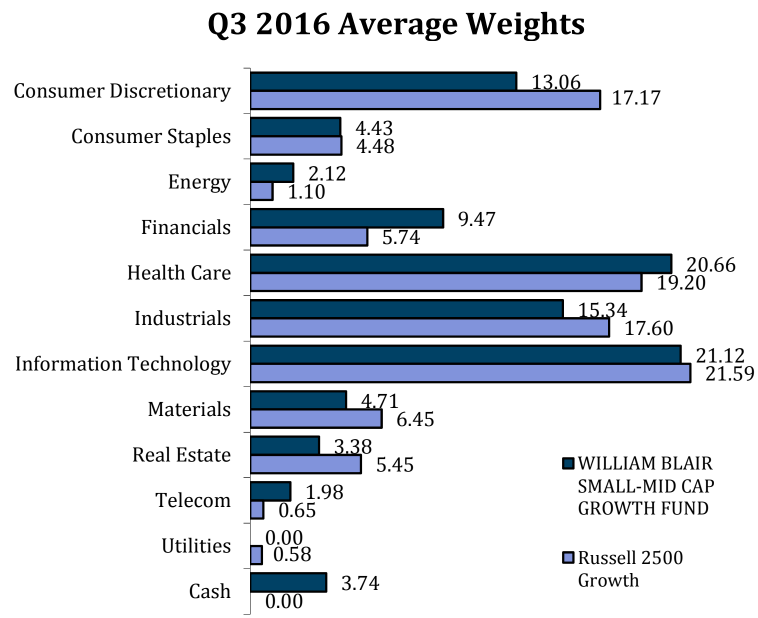
Expense ratios are as of the Fund's most recent prospectus.

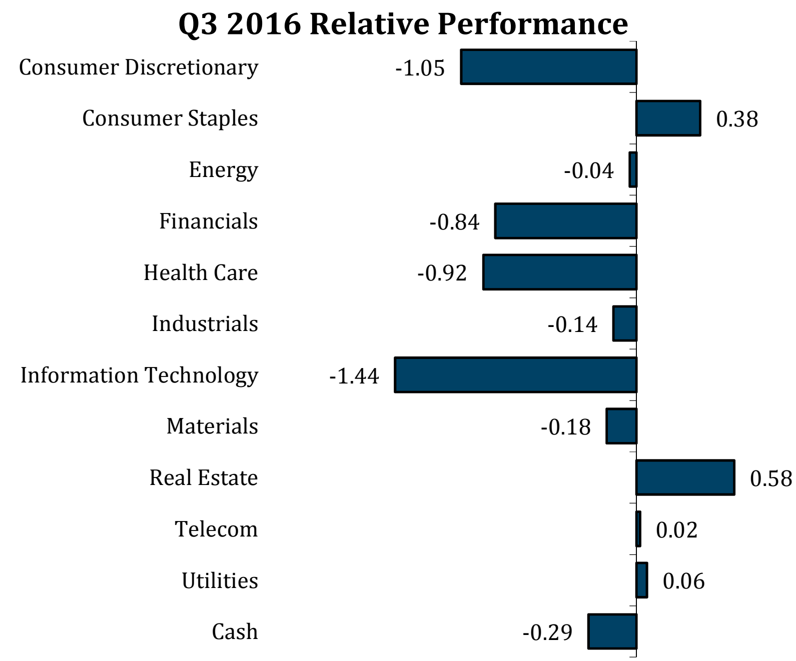
Performance cited represents past performance. Past Performance does not guarantee future results and current performance may be lower or higher than the data quoted. Results shown are average annual returns, which assume reinvestment of dividends and capital gains. Investment returns and principal will fluctuate with market and economic conditions and you may have a gain or loss when you sell shares. For the most current month end performance information, please call 1-877-962-5247, or visit our Web site at www.williamblairfunds.com. Class N shares are available to the general public without a sales load. Class I Shares are available only to investors who meet certain eligibility requirements.

The Russell 2500TM Growth Index measures the performance of those Russell 2,500 companies with above-average price-to-book ratios and forecasted growth rates. The index is unmanaged, does not incur fees or expenses, and cannot be invested in directly.

Periods greater than one year are annualized.

The charts below show the average sector weights and relative performance, by sector, for the portfolio vs. its benchmark.





Calculated in Opturo. Past performance does not guarantee future results. Real Estate was added as a GICS sector effective 9/1/16. Assignment to this sector has been applied retroactively to the portfolio and benchmark holdings. The Russell 2500 Growth Index measures the performance of those Russell 2500 companies with higher price-to book ratios and higher forecasted growth values. It is a capitalization-weighted index as calculated by Russell on a total return basis with dividends reinvested. This benchmark is a comparable market proxy. Performance shown assumes reinvestment of dividends and capital gains and is gross of investment management fees. Deduction of fees would reduce the returns shown.

Nu Skin Enterprises (NUS) develops and distributes personal care products and nutritional supplements. The company announced financial results for the prior quarter ahead of consensus expectations and announced a settlement with the SEC - which removed uncertainty - causing the stock to outperform in the third quarter. The company reported both sales and earnings above expectations and also raised forward-looking earnings guidance for 2016. In regards to the settlement, it removed the uncertainty surrounding the company and boosted sentiment on the stock. We maintained our position during the quarter as we remain upbeat on the company's long-term growth prospects, including its upcoming skin care product launch.

Exact Sciences Corp (EXAS) is a molecular diagnostics company focused on the early detection and prevention of colorectal cancer. Its colorectal screening test, Cologuard, is a non-invasive, DNA-based test that uses a stool sample to test for colon cancer. Exact Sciences outperformed in the quarter as the market continued to digest the U.S. Preventive Task Force's June recommendation that requires insurers to reimburse patients for the cost of Cologuard as a test for colon cancer. In addition, strong second quarter financial results drove shares higher. We maintained our position and continue to believe the company is well-positioned over the long term given Cologuard's higher sensitivities to diagnosing cancer than legacy fecal based screening tests, and similar detection rates to higher-cost, more-invasive colonoscopies.

2U, Inc. (TWOU) partners with not-for-profit universities such as Yale and Duke to offer graduate degrees through an online channel. The university provides the faculty, the curriculum, the admissions criteria and the institution's reputation; 2U provides the technology platform, the marketing investment necessary to attract students and the know-how around delivering a successful online experience. Business remains strong at 2U given the ramp in new programs, an attractive schedule for new program rollouts and continued improvement in profitability. We maintained our position on strength during the quarter and continue to believe 2U's approach to online education should enable it to become an important participant serving the enormous education market.

Mettler-Toledo International (MTD) is a market leader in the precision instruments market and engages in the manufacturing and marketing of a variety of weighing instruments (scales/balances), analytical instruments, automated chemistry instruments and metal detection systems for a diverse set of end users. Shares of Mettler-Toledo advanced in the quarter as solid execution resulted in strong second quarter revenue and earnings results. In addition, the company raised guidance and announced the acquisition of a small weights and weight calibration company, Troemner. We trimmed our position on strength.

IDEXX Laboratories (IDXX) develops and markets products and provides services for the veterinary and the food and water testing markets. IDEXX outperformed after reporting a strong quarter, with organic revenue growth of 12% and record EBIT margins as strategic investments into a direct salesforce began to pay off. We maintained our position as IDEXX remains engrained with its customers' veterinarian practices, creating a durable and above average growth profile for the company.

Tractor Supply Company (TSCO) is a specialty retailer focused on the needs and lifestyle of the rural consumer with stores located in towns outlying major metropolitan markets and rural communities. Shares declined after management lowered full-year sales and earnings guidance in response to unseasonal weather and increased economic headwinds impacting certain markets. Specifically, weakness was pronounced within markets dependent on energy, agriculture and coal end markets. We maintained our position in the stock, and believe the weakness is transitory.

Ligand Pharmaceuticals (LGND) is a biotechnology company focused on the acquisition and development of a portfolio of royalty generating assets. Ligand's unique business model involves contracting its portfolio of discovery compounds and its Captisol delivery technology to partner companies and in return receiving the benefits of its partners' R&D spending and commercialization expertise in the form of future royalty streams on successful drugs. The stock underperformed in the quarter after the company announced a higher-than-expected portion of its 2016 revenue would be deferred until the fourth quarter. Also, a multiple myeloma drug for which Ligand receives royalties, Kyprolis, failed to show superiority to current treatments in front-line trials. While this result decreases the size of the potential market for the drug, we believe sales of Kyprolis will still have strong growth over the long term as it is the preferred drug in second-line care. We trimmed our position in the stock, but continue to believe that Ligand Pharmaceuticals, through its more capital-efficient, portfolio approach, is well positioned to benefit from secular growth in biopharmaceutical consumption.

Cambrex Corp (CBM) is contract manufacturer focused on the development and manufacture of small molecule active pharmaceutical ingredients and finished dose products for the branded and generic pharmaceutical markets. Cambrex manufactures over 100 unique products with the largest being Gilead's HCV products. Gilead announced weaker-than-expected sales of its primary HCV drug during the third quarter. While Cambrex announced strong results and raised forward earnings guidance, investors broadly interpreted the data point as likely to pressure earnings expectations for Cambrex. Over the intermediate term, we believe there are offsetting dynamics to any Gilead HCV-related weakness. More importantly, over the long term, we believe Cambrex should benefit from the secular trend to high quality outsourced drug manufacturing driven by increased FDA scrutiny and harder to manufacture products. In addition, high switching costs for its customers create a sticky and recurring revenue stream and Cambrex's strategic reinvestment into state of the art capacity expansion should enable above market growth rates going forward.

Six Flags Entertainment (SIX) owns and operates regional theme parks throughout North America. Six Flags underperformed after reporting second-quarter results that came in below expectations, mainly due to transitory issues. Adverse weather played a significant role in the weak financial results as the unusually hot weather on the coasts and rain in Texas dampened attendance. Also, inefficiencies related to the introduction of virtual reality roller coasters in some parks, as well as start-up costs associated with new international parks, played a role in the earnings miss. We maintained our position as we believe the value proposition versus other forms of entertainment remains strong while virtual reality and international expansion provide attractive long-term growth opportunities for the company while also reducing the capital intensity of the business.

MEDNAX (MD) provides outsourced physician services including neonatal, anesthesia and teleradiology. The stock underperformed during the quarter primarily due to margin pressure in its vRad teleradiology business. Customer demand has been strong and therefore the company is spending more aggressively than expected on hiring and training, creating uncertainty regarding the ultimate margin profile for the business. We believe the investment is prudent and therefore maintained our position during the quarter. We continue to believe the company should experience above-average growth given the accelerating secular trend toward physician outsourcing as hospitals are under increased scrutiny to control costs, improve quality and increase efficiencies.

This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. Specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients, and you should not assume that investments in the securities identified and discussed were or will be profitable. A complete list of purchases and sales in this strategy for the past 12 months is available upon request. Holdings are subject to change at any time.

Top 10 Holdings by Weight

	Small-Mid Cap Growth Fund % in Portfolio	Russell 2500 Growth % in Index
Costar Group Inc	2.61	0.37
Six Flags Entertainment Corp	2.46	0.21
Old Dominion Freight Line	2.35	0.15
Ulta Salon Cosmetics & Fragr	2.34	0.00
Guidewire Software Inc	2.30	0.23
Maximus Inc	2.23	0.19
Mettler-Toledo International	2.14	0.00
Mednax Inc	2.10	0.23
Sba Communications Corp-Cl A	2.03	0.00
Transdigm Group Inc	2.02	0.00
Total:	22.58	1.39

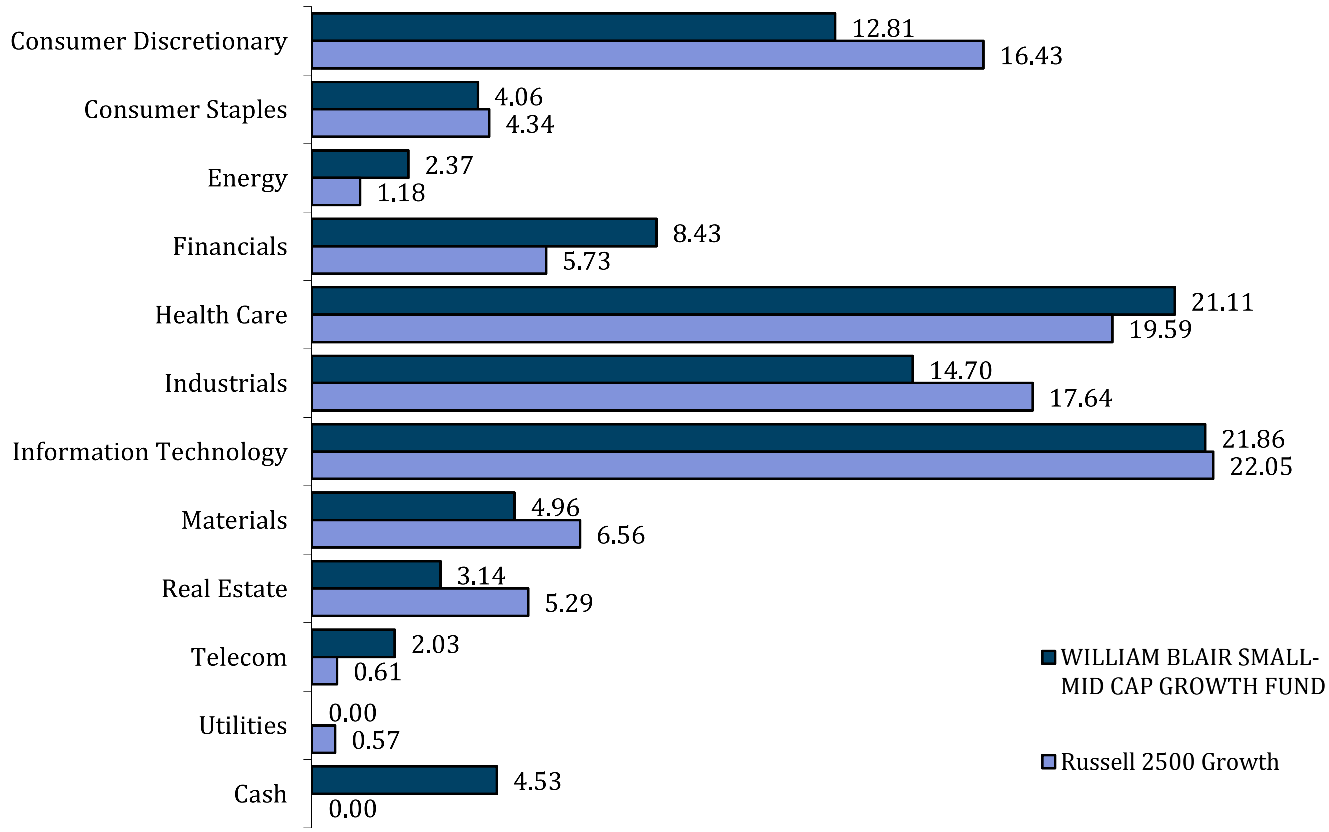
Calculated in Eagle. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed.

	Small-Mid Cap Growth Fund	Russell 2500 Growth
Growth		
EPS Growth Rate (3 Years)	16.1%	16.6%
EPS Growth Rate (5 Years)	16.0%	15.1%
EPS Growth Rate (LT forecast)*	15.6%	15.2%
Balance Sheet		
Return on Investment Capital	11.6%	7.4%
Free Cash Flow Margin	10.7%	7.6%
Debt to Total Capital Ratio	42.9%	42.7%
Valuation		
P/E Ratio (1-year forecast)	20.6x	22.8x
Capitalization ($B)		
Weighted Average Market Cap	$5.9	$4.2
Weighted Median Market Cap	$5.0	$3.7
Portfolio Positions		
Number of Securities	71	1442

Calculated in FactSet, market cap calculated in Eagle. The projected P/E value is calculated using First Call Data

**This measure represents the weighted average of forecasted growth in earnings expected to be experienced by stocks within the portfolio over the next 3-5 years. This projected earnings growth should not be considered an indication of future performance. From a portfolio perspective, the portfolio P/E ratio and EPS Growth Rate are weighted averages of the individual holdings' P/E ratios and EPS Growth Rates.*

Sector Weights as of 9/30/2016



Based on Global Industry Classification Sectors (GICS). Calculated in Eagle. Past returns are no guarantee of future results. The Russell 2500 Growth Index measures the performance of those Russell 2500 companies with higher price to book ratios and higher forecasted growth values. It is a capitalization weighted index as calculated by Russell on a total return basis with dividends reinvested. This is a comparable market proxy.

	Portfolio Weight	Benchmark Weight
CONSUMER DISCRETIONARY	**12.81**	**16.43**
Six Flags Entertainment Corp	2.46	0.21
Ulta Salon Cosmetics & Fragr	2.34	0.00
Tractor Supply Company	1.65	0.00
Sally Beauty Holdings Inc	1.23	0.20
Imax Corp	1.21	0.09
Universal Electronics Inc	0.98	0.06
Devry Education Group Inc	0.94	0.00
Steven Madden Ltd	0.78	0.11
Servicemaster Global Holding	0.65	0.24
Cable One Inc	0.58	0.15
CONSUMER STAPLES	**4.06**	**4.34**
Nu Skin Enterprises Inc - A	1.67	0.06
Wd-40 Co	1.33	0.08
Herbalife Ltd	1.06	0.25
ENERGY	**2.37**	**1.18**
Diamondback Energy Inc	1.53	0.10
Carrizo Oil & Gas Inc	0.84	0.12
FINANCIALS	**8.43**	**5.73**
Affiliated Managers Group	1.83	0.00
Signature Bank	1.31	0.20
Factset Research Systems Inc	1.25	0.35
Firstcash Inc	1.16	0.07
Cboe Holdings Inc	0.92	0.28
Encore Capital Group Inc	0.73	0.00
Om Asset Management PLC	0.73	0.02
Virtu Financial Inc-Class A	0.51	0.02

	Portfolio Weight	Benchmark Weight
HEALTH CARE	**21.11**	**19.59**
Mettler-Toledo International	2.14	0.00
Mednax Inc	2.10	0.23
Centene Corp	1.97	0.00
Idexx Laboratories Inc	1.88	0.54
Healthsouth Corp	1.77	0.19
Abiomed Inc	1.74	0.27
Ligand Pharmaceuticals	1.64	0.10
Veeva Systems Inc-Class A	1.51	0.21
Exact Sciences Corp	1.47	0.10
Cambrex Corp	1.45	0.08
Align Technology Inc	1.05	0.36
Amedisys Inc	0.79	0.07
Akorn Inc	0.77	0.12
Glaukos Corp	0.59	0.03
Repligen Corp	0.25	0.05
INDUSTRIALS	**14.70**	**17.64**
Old Dominion Freight Line	2.35	0.15
Transdigm Group Inc	2.02	0.00
Middleby Corp	1.68	0.38
Hexcel Corp	1.29	0.22
Dun & Bradstreet Corp	1.25	0.11
Copart Inc	1.12	0.28
Manpowergroup Inc	1.12	0.00
Heico Corp-Class A	1.11	0.12
Toro Co	1.11	0.27
Bwx Technologies Inc	1.10	0.19
Ceb Inc	0.54	0.09

	Portfolio Weight	Benchmark Weight
INFORMATION TECHNOLOGY	**21.86**	**22.05**
Costar Group Inc	2.61	0.37
Guidewire Software Inc	2.30	0.23
Maximus Inc	2.23	0.19
Booz Allen Hamilton Holdings	1.97	0.18
J2 Global Inc	1.95	0.17
Vantiv Inc - Cl A	1.77	0.00
2u Inc	1.54	0.07
Csra Inc	1.49	0.24
Akamai Technologies Inc	1.30	0.00
Take-Two Interactive Softwre	1.18	0.20
Wns Holdings Ltd-Adr	1.00	0.00
Arista Networks Inc	0.99	0.18
Neustar Inc-Class A	0.79	0.02
Pandora Media Inc	0.74	0.15
MATERIALS	**4.96**	**6.56**
Ball Corp	1.53	0.00
Celanese Corp-Series A	1.30	0.00
Axalta Coating Systems Ltd	1.24	0.25
Martin Marietta Materials	0.89	0.00
REAL ESTATE	**3.14**	**5.29**
Firstservice Corp	1.34	0.00
Jones Lang Lasalle Inc	1.04	0.00
Colliers International Group	0.76	0.00
TELECOMMUNICATION SERVICES	**2.03**	**0.61**
Sba Communications Corp-Cl A	2.03	0.00
UTILITIES	**0.00**	**0.57**
Cash	**4.53**	**0.00**
Total	**100.00**	**100.00**

As of 9/30/2016

Information about the Fund's holdings should not be considered investment advice. There is no guarantee that the Fund will continue to hold any one particular security or stay invested in any one particular sector. Holdings are subject to change at any time. The benchmark is the Russell 2500 Growth.

Glossary - Terms

Alpha: A measure of a portfolio's return in excess of the market return, after both have been adjusted for risk. It is a mathematical estimate of the amount of return expected from a portfolio above and beyond the market return at any point in time. For example, an alpha of 1.25 indicates that a stock is projected to rise 1.25% in price in a year over the return of the market, or the return when the market return is zero. When an investment price is low relative to its alpha, it is undervalued, and considered a good selection.

Beta: A quantitative measure of the volatility of the portfolio relative to the overall market, represented by a comparable benchmark. A beta above 1 is more volatile than the overall market, while a beta below 1 is less volatile, and could be expected to rise and fall more slowly than the market.

Developed Markets: Using the Morgan Stanley Capital International (MSCI) geographic definition, this region includes: United Kingdom, Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Spain, Sweden and Switzerland), Japan, Pacific Asia (Australia, Hong Kong, New Zealand, and Singapore) and the Western Hemisphere (Canada and other Americas).

Debt to Total Capital Ratio: This figure is the percentage of each company's invested capital that consists of debt. Companies with a high Debt to Total Capital level may be considered more risky. From a portfolio perspective, the portfolio Debt to Total Capital Ratio is a weighted average of the individual holdings' Debt to Total Capital Ratio.

Emerging Markets: Using MSCI's geographic definition, this region includes: Emerging Markets Asia (China, India, Indonesia, Malaysia, S Korea, Taiwan, and Thailand), Emerging Markets Europe, Mid-East and Africa (Czech Republic, Hungary, Poland, Russia, Turkey, Egypt, Morocco, and S Africa), and Latin America (Argentina, Brazil, Chile, Columbia, Mexico, Peru and Venezuela).

EPS (Earnings Per Share) Growth Rate (Projected): This measure represents the weighted average of forecasted growth in earnings expected to be experienced by the stocks within the portfolio over the next 3-5 years. From a portfolio perspective, the portfolio P/E ratio and EPS Growth Rate are weighted averages of the individual holdings' P/E ratios and EPS Growth Rates. Data calculated in FactSet.

EV/EBITDA: (Enterprise Value / Earnings Before Interest, Taxes and Depreciation-Amortization): The EV/EBITDA ratio is useful for global comparisons because it ignores the distorting effects of individual countries' taxation policies. It's used to find attractive takeover candidates. Enterprise value is a better measure than market cap for takeovers because it takes into account the debt which the acquirer will have to assume. Therefore, a company with a low EV/EBITDA ratio can be viewed as a good takeover candidate.

EV/IC: (Enterprise Value / Invested Capital) Ratio: Enterprise Value (EV), which is market capitalization minus cash plus debt divided by Invested Capital (IC), which is the sum of common stock, preferred stock and long-term debt. This number will get you a simple multiple. If it is below 1.0, then it means that the company is selling below book value and theoretically below its liquidation value.

Information Coefficient: A measure of the correlation between expected and actual returns.

Information Ratio: A measure of risk-adjusted return. The annualized excess return of the portfolio relative to a respective benchmark, divided by the annualized tracking error relative to that same benchmark. The higher the measure, the higher the risk-adjusted return.

PBV: (Price/Book Value) Ratio: The PBV Ratio measures the value of a company's common stock relative to its shareholder's equity. A price-to-book multiple above one means that the price of the company's common stock is higher than its common shareholder's equity. A price-to-book multiple below one means that the price of the company's common stock are less than its break-up value, and the shares may be undervalued.

Glossary - Terms

PCF: (Price/CashFlow): Some analysts favor the price/cash flow over the price-earnings (PE) ratio as a measure of a company's value. Cash flow is a measure of a company's financial health. It equals cash receipts minus cash payments over a given period of time.

P/E: (Price/Earnings) Ratio: This is the most common measure of how expensive a stock is. Simply, it is the cost an investor in a given stock must pay per dollar of current annual earnings. A high P/E generally indicates that the market is paying more to obtain the stock because it has confidence in the company's ability to increase its earnings. Conversely, a low P/E often indicates that the market has less confidence that the company's earnings will increase rapidly or steadily, and therefore will not pay as much for its stock.

R-squared: A measurement of how closely the portfolio's performance correlates with the performance of its benchmark, such as the MSC AC World Free ex US Index. In other words, it is a measurement of what portion of a portfolio's performance can be explained by the performance of the overall market or index. Ranges from 0 to 1, where 0 indicates no correlation and 1 indicates perfect correlation.

Risk (Standard Deviation): A measure of the portfolio's risk. A higher standard deviation represents a greater dispersion of returns, and thus a greater amount of risk. The annualized standard deviation is calculated using monthly returns.

Sharpe-Ratio: A risk-adjusted measure calculated using standard deviation and excess return (Portfolio return – Risk Free Rate) to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historic risk-adjusted performance.

Tracking Error: Tracking Error measures the extent to which a portfolio tracks its benchmark. The tracking error of an index portfolio should be lower than that of an active portfolio. The tracking error will always be greater than zero if the portfolio is anything other than a replication of the benchmark.

Trailing 1-Year Turnover: This figure reflects the portfolio's trading activity by calculating the amount of the portfolio's holdings bought or sold over the prior year, expressed as a percentage of the portfolio's average market value. Turnover figures may be related to the amount of trading costs experienced by the portfolio.

Weighted Average Market Capitalization: Market capitalization refers to the total market value of each company's outstanding shares. The Weighted Average Market Capitalization for a portfolio is calculated as the average market capitalization of the stocks within the portfolio, weighted by the amount of each stock owned.

Weighted Median Market Capitalization: This calculation represents the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock owned.