Emerging Markets Small Cap Growth Fund

William Blair

Quarterly 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 holds equities which may decline in value due to both real and perceived general market, economic, and industry conditions. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Investing in emerging markets can increase these risks, including higher volatility and lower liquidity. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Convertible securities may be called before intended, which may have an adverse effect on investment objectives. Diversification does not ensure against loss.

The views expressed in this report and the information about the Emerging Markets Small 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 Emerging Markets Small 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.

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Market Commentary

Global equities were incredibly resilient during the quarter, overcoming the initial Brexit shock in late June to post strong gains across developed and emerging markets. In addition to the surprise referendum outcome and its implications for economic growth in the UK and Europe, investors were confronted with growing uncertainty about the stability of the European banking sector as Deutsche Bank's share price came under intense selling pressure in September. Expectations that these events would give the Federal Open Market Committee more reason to delay interest rate normalization, or convince the European Central Bank to expand its stimulus measures, contributed to a risk-on environment that propelled equities higher. Against this backdrop, the MSCI ACWI IMI (net) gained 5.57% for the quarter in USD terms, bringing its nine-month return to 7.00%.

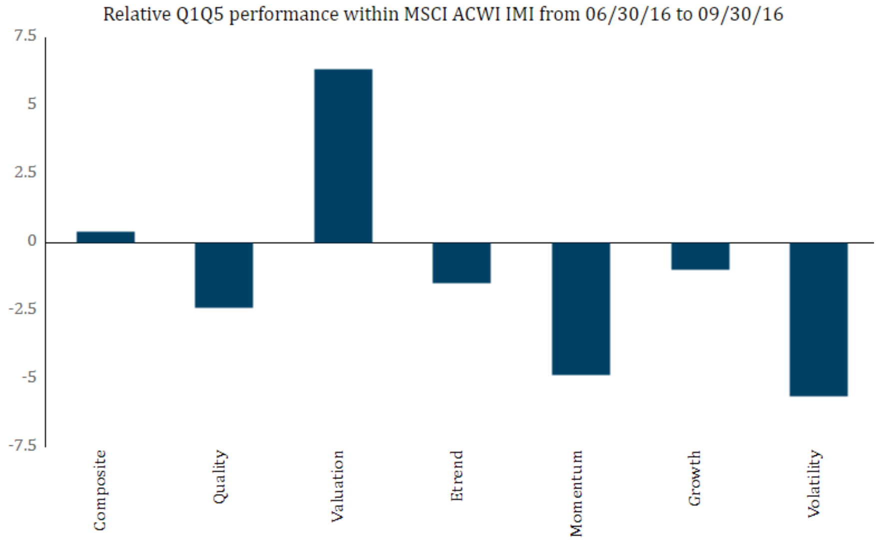
Emerging markets (EM) equities were prime beneficiaries of increased risk appetite during the quarter, advancing 8.83% as measured by the MSCI EM IMI (net); the strongest quarter in four years. Chinese equities significantly outperformed most other EM countries during the quarter, gaining 13.92%. Investor's preference for low valuation stocks was evidenced by the strong rebound in Chinese bank share prices, which had not kept pace with the broader EM rally in the first half of 2016. Korea and Taiwan equities also posted strong gains for the quarter, benefiting from currency strength. There were pockets of weakness in EM during the quarter. Turkey endured equity and currency losses following a failed coup attempt in July, sparking concerns about credit ratings downgrades for the country's sovereign debt. Mexico also suffered negative returns due to downward pressure on the peso stemming from weak data points in the domestic economy and U.S. presidential election-related worries, including a potential renegotiation of the North American Free Trade Agreement.

Among developed market equities, third quarter returns were less robust but still impressive. The MSCI World IMI (net) advanced 5.18% for the quarter, led by notable strength in Asia (including Australia, Hong Kong and Japan) and Europe (Germany, Spain and Sweden in particular). Japanese stocks outperformed during the quarter, rallying on the Bank of Japan's new policy framework aimed at steepening the yield curve and relieving pressure on bank profit margins. European equities erased their post-Brexit slump, bolstered by a relatively solid Q2 corporate earnings season and expectations of continued monetary policy accommodation by the ECB. Worries about the region's banking system resurfaced in September, however, as Deutsche Bank was threatened with a potentially devastating $14 billion fine by the US Department of Justice for mis-selling mortgage securities. In the UK, equities also quickly recovered their post-referendum losses and achieved strong gains in local currency terms for the quarter. Contributing to the better mood was the swift formation of a new government led by Prime Minister Theresa May, and some reassuring data points on employment and consumption that dispelled fears of an imminent economic collapse. Continued weakness in the pound was also viewed favorably by investors, who focused on the potential boost to exports and corporate revenues.

From a global sector perspective as measured by the MSCI ACWI IMI (net), Information Technology and Materials stocks paced gains during the quarter, while Utilities, Telecom Services and Consumer Staples lagged with negative returns. Materials and Energy maintained their leadership for the year to date period. During September, oil prices rallied on news that OPEC had agreed to its first production cut in eight years - surprising traders who had expected the cartel to continue to defend market share by maintaining existing production levels.

Style factor performance confirmed a resumption of low valuation leadership during the quarter, similar to what occurred earlier in 2016. William Blair's proprietary quantitative models demonstrated significant outperformance of lower valuation factors, while higher quality companies with better earnings trends and lower volatility lagged (Fig. 1).

Fig 1.



These style effects varied across regions and sectors, but were a broad headwind to William Blair's high quality growth-focused investment approach during the quarter and year to date.

Performance

The Emerging Markets Small Cap Growth Fund (Class N) underperformed the MSCI Emerging Markets Small Cap Index (net) during the quarter. Relative performance was adversely impacted by style headwinds during the quarter, as low valuation stocks outperformed within emerging markets small cap. From a sector attribution perspective versus the MSCI EM Small Cap (net), performance was hampered primarily by Materials stock selection and the underweighting to Information Technology. Within Materials, Chemicals holdings lagged the Index, hampered by share price weakness in Pakistani conglomerate Engro Corp, which reported Q2 results that were below consensus estimates. The company's fertilizer business was adversely impacted by deteriorating urea margins and lower fertilizer off-take, while the food business suffered from lower sales amid increased competition from new entrants in the liquid tea whitener (creamer) category. Construction Materials holdings also detracted from quarterly performance, driven primarily by Maple Leaf Cement Factory, whose share price pulled back after advancing 44% during the first six months of the year (in USD terms). The Pakistani cement sector came under broad selling pressure in early September on general concerns about output expansion and potential margin weakness. Mitigating these negative effects were the Financials overweighting and positive stock selection in the Healthcare and Information Technology sectors. Within Financials, the overweightings to Banks, Consumer Finance and Housing Finance companies were beneficial. Healthcare stock selection was supported by Korean medical beauty company Hugel, which reported strong Q2 results highlighted by 253% operating profit growth year-over-year. Within the IT sector, stock selection was bolstered by Taiwanese industrial PC company Ennoconn. The company's Q2 financial results demonstrated better-than-expected contributions from higher margin businesses EnnoMech (mechanicals) and Goldtek (industrial handheld device supplier). From a geographic attribution standpoint, the underweighting to China and overweightings to Pakistan and Mexico were the biggest quarterly detractors. These effects were partially offset by favorable Korea and China stock selection, combined with the overweighting and stock selection in India.

Positioning

Notable sector positioning changes during the quarter included the increase to the Consumer Discretionary overweighting, which was funded by a reduction in the Consumer Staples overweighting. Within Discretionary, exposures to the Auto Components, Diversified Consumer Services and Household Durables industries were increased. From a geographic perspective, China exposure was significantly increased, from approximately 7% as of June 30 to 15.5% as of September 30, reflecting improving earnings trends and attractive valuations across a number of sectors. The increase to China was offset primarily by reductions in Pakistan, Mexico, Taiwan and Turkey.

Market Outlook

Looking to the balance of this year and into 2017, we expect a number of the recent macroeconomic and market trends to persist. First, in our estimation it is likely that we continue to see a modestly positive uptrend in inflation.

We are seeing signs of cyclical elements of inflation picking up - while acknowledging that structural disinflationary forces are still intact. US core and services inflation are increasing and approaching pre-crisis levels, and the relatively stable US dollar is driving up the inflation of import prices. Core CPI outpacing core PPI suggests a potential return to corporate pricing power. Ultimately, these forces are likely to lead to less accommodative central bank policy, led by the US Fed. Additionally, European and Japanese central bank actions are increasingly being called into question regarding their efficacy.

The global bond markets have begun to recognize these influences to a degree, and we believe this is likely to persist, leading to a continuation of equity market leadership driven by the more cyclical elements of the economy.

To some degree we have seen this play out this year in the form of regional and industry stock performance. Emerging markets on average have outpaced developed markets by a wide margin, joined by resource-exporting countries such as Canada and Australia. Among the industry leaders this year have been the mining, energy and construction industries. This is likely a function of their being "cheap" but also reflective of growth estimates getting less bad and in some cases turning up. While we have not yet seen this consistently materialize in earnings growth, the market does appear to be anticipating a recovery.

From a portfolio strategy perspective, we have been considering a further move into some of these more cyclical areas of the market as we think the risk to growth remains to the upside. Beyond these areas, industries and companies within the financial sector are of interest to us. They remain amongst the worst performers of the last several years including this year, in many cases for good reason: regulatory overhangs, low profits and low returns have now persisted for years. However, the prospect of higher rates and steeper yield curves could drive earnings growth as well as lift the currently depressed valuations.

Implied in this inflation and rising rate environment is a broadening of nominal growth rates across markets and industries. This also has implications for equity markets. Valuations are above historic averages, though this has been less concerning given the protracted low-rate environment. With broader growth, valuation as a factor is likely to take on more importance. Further, the market has assigned a significant valuation premium to those companies that have been able to deliver top and bottom line growth during what has been a difficult backdrop. We – and others – have noted that the valuation of these high-quality, dependable performers has been extended relative to the rest of the market for some time now. This scarcity premium is likely to come under some pressure in an environment of broader growth. Additionally, higher rates could compress the valuations of so-called long duration stocks, as well as make the higher yielding "bond proxy" stocks less appealing.

		September-16	Quarter To Date	Year To Date	2015
Regions	**AC World (DM+EM)**	**0.7**	**5.6**	**7.0**	**-2.2**
	Developed Markets (DM)	0.7	5.2	6.1	-0.8
	Japan	2.3	8.3	3.7	10.5
	Europe ex UK	1.0	6.5	0.3	0.7
	UK	1.0	4.5	-0.3	-5.5
	USA	0.1	4.3	7.8	0.0
	Emerging Markets (EM)	1.3	8.8	15.0	-13.9
	Asia	1.3	10.0	11.8	-8.5
	China	2.4	13.5	7.3	-6.4
	India	-0.6	6.8	7.5	-4.7
	Korea	1.5	9.2	12.3	-3.9
	Taiwan	2.7	11.5	19.6	-11.3
	EMEA	3.1	6.2	18.7	-20.4
	Russia	4.1	8.9	32.0	4.6
	South Africa	6.1	7.0	25.0	-25.9
	Latin America	-0.9	5.4	31.8	-31.1
	Brazil	0.4	11.5	63.1	-41.9
	Mexico	-3.5	-2.3	-1.3	-14.1
	Frontier Markets (FM)	2.8	3.1	3.7	-13.0
Size	**Large Cap**	1.4	9.4	16.7	-15.2
	Small Cap	1.3	7.6	9.1	-6.8
Sectors	**Discretionary**	2.0	9.1	10.6	-9.6
	Staples	1.2	1.4	11.2	-7.9
	Energy	3.0	7.8	25.4	-17.5
	Financials	0.4	10.1	14.4	-19.5
	Healthcare	0.4	2.9	1.6	3.6
	Industrials	-1.0	5.1	4.4	-15.6
	IT	3.5	15.6	22.8	-6.9
	Materials	1.0	10.3	25.6	-21.1
	Real Estate	0.1	6.3	9.3	-6.6
	Telecom Services	-0.7	2.2	8.6	-19.5
	Utilities	-2.8	1.5	11.3	-20.4
Style	**Quality**	0.2	1.0	9.0	1.4
	Valuation	1.5	5.5	15.8	0.1
	Etrend	2.2	5.0	6.6	11.3
	Momentum	-0.4	-0.1	-6.8	8.3
	Growth	0.9	0.6	-5.4	13.1
	Composite	1.4	4.0	14.4	8.9

Regional performance is based on IMI region/country indexes. Sector and style values are based on the MSCI EM IMI Index. Size values are based on the MSCI EM IMI Index. Style values reflect the Quintile 1 minus Quintile 5 spread of William Blair's proprietary quantitative models. Sectors are based on Global Industry Classification (GICS) sectors. Large Cap and Small Cap based on MSCI Global Investable Market Index Methodology. Data in blue reflects the top 20% (highest) values by region, country, sector, and style. Data in red reflects the bottom 20% (lowest) values by region, country, sector, and style. Real Estate was added as a GICS sector effective 9/1/16. Assignment to this sector has been applied retroactively to the index holdings.

Past returns are no guarantee of future performance. A direct investment in an unmanaged index is not possible. The Morgan Stanley Capital International (MSCI) Emerging Markets IMI Index is an unmanaged index that includes emerging markets. Calculated in FactSet. All index returns are net of dividends.

The table below shows the Emerging Markets Small Cap Growth Fund's performance in comparison to its benchmark, the MSCI Emerging Markets Small Cap (net).

Periods ended 9/30/2016	September	Quarter	YTD	1 Year	3 Year	Since Inception*	Since Inception**
Emerging Markets Small Cap Growth Fund (WESNX) Class N	0.13%	5.61%	6.54%	5.80%	7.73%	11.80%	--
Emerging Markets Small Cap Growth Fund (BESIX) Class I	0.13%	5.72%	6.71%	6.19%	8.04%	12.11%	--
Emerging Markets Small Cap Growth Fund (WESJX) Institutional Class J	0.13%	5.71%	6.77%	6.24%	8.15%	--	8.66%
MSCI Emerging Markets Small Cap (net)	1.31%	7.60%	9.08%	12.65%	1.29%	3.54%	1.35%

*Inception 10/24/2011
**Inception 12/20/2012

Emerging Markets Small Cap Growth Fund Expense Ratios:

	Gross	Capped
Class N Shares	1.94%	1.65%
Class I Shares	1.52%	1.40%
Institutional Class	1.31%	1.25%

Expense ratios shown are as of the Fund's most recent prospectus. The Fund's Adviser has contractually agreed to waive fees and/or reimburse expenses to limit operating expenses until 4/30/17.

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.

Periods greater than one year are annualized. Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly.

The table below shows the calculated sector returns and weights of the Emerging Markets Small Cap Growth Fund vs. its benchmark.

Emerging Markets Small Cap Growth Fund vs. MSCI Emerging Markets Small Cap (net)

07/01/2016 to 09/30/2016

	Emerging Markets Small Cap Growth Fund		MSCI Emerging Markets Small Cap (net)	
Sector	**Average Weight**	**Total Return**	**Average Weight**	**Total Return**
Consumer Discretionary	22.8%	6.1%	18.1%	7.1%
Consumer Staples	10.5%	0.8%	7.0%	2.8%
Energy	0.1%	-5.5%	1.5%	3.6%
Financials	21.2%	12.7%	8.4%	11.8%
Health Care	5.6%	8.1%	9.4%	3.8%
Industrials	14.7%	4.6%	14.9%	5.8%
Information Technology	8.6%	12.9%	17.1%	11.9%
Materials	6.9%	2.9%	10.6%	10.9%
Real Estate	4.4%	3.4%	9.0%	6.1%
Telecommunication Svcs	1.6%	14.3%	0.9%	2.1%
Utilities	2.2%	-1.4%	3.3%	5.0%

Performance cited represents past performance. Past Performance does not guarantee future results and current performance may be lower or higher than the data quoted. 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. Attribution by sector is based on estimated USD returns of equities held within the sectors listed. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among sectors. Calculations are for attribution analysis only and are not intended to represent simulated performance history. The actual returns may be higher or lower.

The table below shows the calculated regional returns and weights of the Emerging Markets Small Cap Growth Fund vs. its benchmark.

Emerging Markets Small Cap Growth Fund vs. MSCI Emerging Markets Small Cap (net)

07/01/2016 to 09/30/2016

	Emerging Markets Small Cap Growth Fund		MSCI Emerging Markets Small Cap (net)	
Region	**Average Weight**	**Total Return**	**Average Weight**	**Total Return**
Equity				
EM Asia	71.8%	8.5%	81.3%	7.3%
EMEA	13.0%	5.5%	10.8%	11.2%
Latin America	13.7%	0.5%	7.9%	5.7%

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The securities listed below are the top contributors to performance for the quarter ended 9/30/2016.

Bajaj Finance, India-based, is the non-bank finance company of the Bajaj Group. It operates a diversified lending business predominantly focused on consumer and SMEs. Bajaj Finance reported very strong first quarter results, with earnings growth of 54% YoY, significantly exceeding consensus expectations, driven by 40% loan growth, 80bps of margin expansion and strong operating leverage. The share price re-rating was fueled by the company's strong operating momentum, increased stock liquidity following the recent equity offering and improved India macro backdrop.

Eicher Motors Ltd is an India-based industrial company. It is the number #2 player in its core large commercial vehicle segment, which has continued to show stronger growth in India. Its cash cow Royal Enfield motorcycles has 75-80% market share of the sport/enthusiast category. Eicher reported better-than-expected Q1FY17 results, with revenue and net profit growth of 42% yoy and 59% yoy respectively, amid strong volumes (up 38% yoy) and RE motorbikes margin. The share price accelerated due to Eicher Motors' strong operating trends and growth outlook, coupled with improved investor sentiment toward India.

Yes Bank Ltd provides commercial banking and financial services in India. Yes Bank reported another strong set of results in FYQ1, with increased ROE to 21% and earnings growth of 33% YoY, underpinned by 33% loan growth and net interest income increase of 24%. Yes Bank's strong operating momentum and favorable growth outlook continued to drive upward revisions to consensus estimates and the share price outperformance.

Hugel is a Korean medical beauty company that has a strong product portfolio consisting of both a Botox biosimilar and a dermal filler. Hugel delivered impressive Q2 results, with sales and profit growing at 104% yoy and 253% yoy respectively, significantly exceeding consensus estimates. Operating margin almost doubled to 52.9% yoy, due to strong growth of high margin exports. The positive results combined with the strong growth outlook from expected new geographic approvals and favorable market dynamics drove the strong share price outperformance.

Bharat Microfinance Inclusion is India's second-largest and only listed microfinance company. The share price continued to strengthen during the quarter and soared following the company's announcement of very strong results, with profit increasing 75% YoY, on the back of accelerating loan growth. The strong growth in the Indian microfinance industry, amid the supportive regulatory environment and significant supply/demand gap, underpinned the positive growth outlook.

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The securities listed below are the largest detractors to performance for the quarter ended 9/30/2016.

Tofas Turk Otomobil is the Turkish automotive manufacturer of light commercial vehicles (LCVs) and passenger vehicles. Tofas' shares were hit by the company's weaker than expected results amid subdued domestic demand and FX losses and deteriorated investor sentiment toward Turkey broadly, following the attempted coup.

China Maple Leaf Educational is the international school operator of K12 education in China. After a 87% rally in the first half of 2016, the share price stumbled on reports that the company had allegedly granted external consultants substantial stock options that would lead to significant stock option expense and materially affect FY17 earnings.

Tung Thih Electronic (TTE), Taiwan-based, is a manufacturer of Advanced Driver Assistance Systems (ADAS). The share price declined as the company continued to experience decelerating sales, which drove weaker than expected 2Q results and raised concerns about the outlook for the Chinese auto market.

Chularat operates six private hospitals and seven private clinics clustered in the eastern provinces of Thailand. It offers premium and value services for international and domestic patients alike. The share price decline was attributable to the company's weak Q2 earnings that came significantly below market expectations (due to higher spending to fund hospital expansion plans), coupled with investor sentiment shift in favor of lower valuation stocks.

Sunny Friend Environment is a fully integrated waste management company based in Taiwan. The company is a domestic leader in the waste management sector and is managed by one of the pioneers of the industry in Taiwan. Following solid gains in the prior six months, the share price corrected amid decelerating near-term operating performance due to slower-than-expected capacity ramp up of its new medical waste management plant in Taiwan.

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The securities listed below were the top five new purchases during the quarter ended 9/30/2016.

China Everbright International (CEI), based in China, is engaged in the construction and operation of environmental protection assets such as waste-to-energy (WTE), wastewater treatment (WWT) and other alternative energy. The company is well-positioned to grow its waste-to-energy business as population density in China, particularly in the coastal regions, lends itself to WTE over landfill and waste incineration has been highlighted by the government as the preferred method of treatment of urban waste. We believe that secular tailwinds will continue to drive opportunities for CEI, as the Chinese government increases its support for environmentally-aware alternatives.

Indraprastha Gas Limited processes and distributes compressed natural gas and liquified petroleum gas. We believe Indraprastha Gas should benefit from secular growth in India and increased government regulation of fuel types used in vehicles.

Nien Made is a vertically-integrated Taiwanese manufacturer of window dressings with operations in China and Cambodia. Its products are distributed under the Norman brand to the U.S. (70%), Europe (15%), and Australia (10%). Norman products (custom line) are generally lower cost than competitors. In order to maintain the ability to compete on pricing, Nien Made adopts lean production and continuous improvement by having a dedicated EVPwith expertise in the Toyota Production System, and encourages innovation among front-line workers to enhance operational efficiency. In addition, Nien Made has been able to lower sourcing costs by integrating vertically. Since the manufacturing process is relatively labor-intensive, their new manufacturing plant in Cambodia positions the company well to reap the benefits of structurally lower wages for a longer period of time. We believe that as the company's mix shifts from low margin products to more custom-made, higher margin shutters, blinds, and shades, and they are able to maintain their low cost model by expanding manufacturing into Cambodia, they will accelerate sales and earnings growth.

Shenzhou is one of the largest knitwear manufacturers in China. It is a high quality, disciplined operator with a vertically integrated business model which has allowed for shorter production period and higher quality in terms of made-to-order specifications. This has enabled Shenzhou to achieve greater profitability and earnings stability than its peers and we believe the company is well positioned to benefit from industry consolidation. We believe the company is well positioned to accelerate growth with new capacity from their new factory in Vietnam.

Sunny Optical is a Chinese designer and manufacturer of optical and optical-related products and scientific instruments. Zhejiang-based Sunny Optical has captured #1 share of the Chinese smartphone camera module and lens market through its vertical integration, superior design responsiveness, three decades of optic experience and stickier customer relationships. Operating momentum is strong spurred by continued strong demand in the Chinese market combined with local smartphone manufacturers wanting a local partner. Operating margins should continue to improve as the higher margin lens business becomes a bigger part of the business. Sunny Optical is also one of the top suppliers into the auto market, and as adoption of cameras into autos increases, Sunny Optical is poised to benefit. We expect topline growth of 20%+ with meaningful operating margin improvement due to mix shift to drive the shares higher.

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The following stocks were the top five liquidations during the quarter ended 9/30/2016.

BR Malls is the second largest shopping mall operator in Brazil with an interest in 36 malls. It has a more geographically and economically diverse portfolio than the other two major operators. We exited the stock amid weaker operating momentum due to overall weakness in the Brazilian retail environment.

Dabur India is the market leader for consumer products based upon the traditional Indian Ayurvedic herbal system of medicine. The company is present in hair, oil, health supplements, oral care, shampoos, baby care, skin care, home care and foods. We sold the stock on margin pressure on uncertain operating environment, coupled with share strength.

Engro Foods is a fast growing dairy and juice business in Pakistan. They have a strong position in the dairy market, with several of Pakistan's leading brands. We sold the stock due to portfolio repositioning.

Magyar Telecom is the incumbent fixed and mobile operator in Hungary (80% of revenues), with business also in Macedonia and Montenegro. The company is 59% owned by Deutsche Telekom. We sold the stock due to portfolio repositioning.

Universal Robina is a leading consumer company in the Philippines with a growing presence in other ASEAN countries. The key strengths of the business are the company's brands, distribution reach, and leading market share in its key categories. We exited the position in favor of another opportunity with a better risk/return profile in our view.

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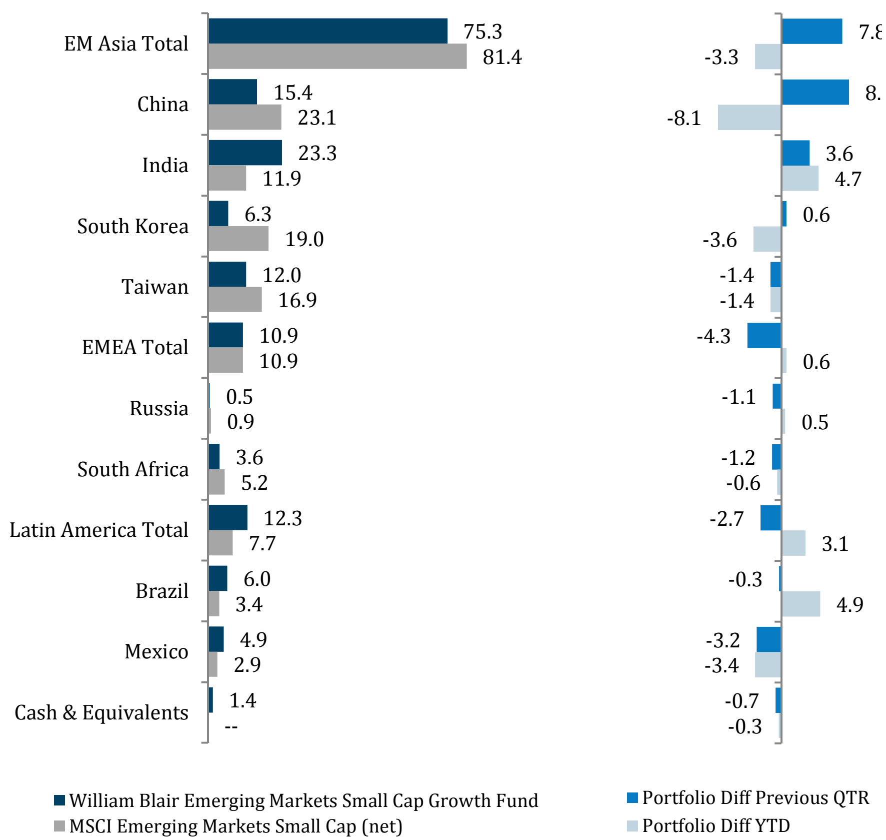
The table below shows the Emerging Markets Small Cap Growth Fund's largest holdings as of 9/30/2016 by market cap. The stocks are listed by country and by the economic sector that defines each one's role in the portfolio.

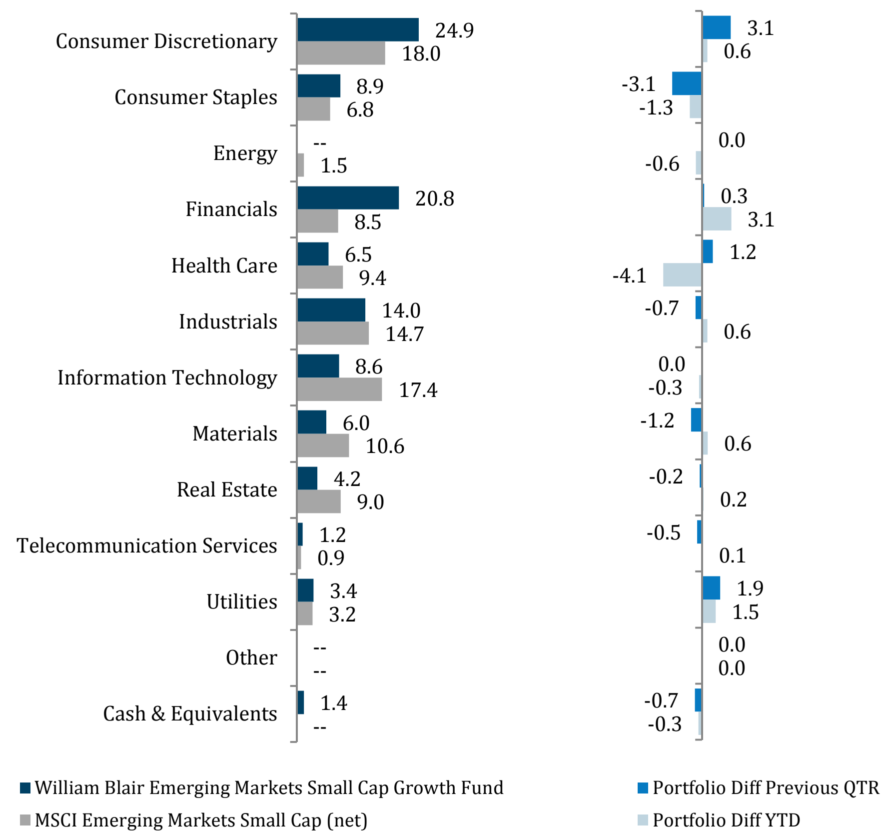
	Country	Economic Sector	% of Total Net Assets
Mid Cap			
Raia Drogasil Sa	Brazil	Consumer Staples	1.5%
Bajaj Finance Ltd	India	Financials	1.4%
Eicher Motors Ltd	India	Industrials	1.4%
Yes Bank Ltd	India	Financials	1.1%
Grupo Aeroport Del Pacific-B	Mexico	Industrials	1.1%
Small Cap			
Bharat Financial Inclusion L	India	Financials	1.7%
Fuyao Glass Industry Group-H	China	Consumer Discretionary	1.4%
China Lodging Group-Spon Ads	China	Consumer Discretionary	1.3%
Havells India Ltd	India	Industrials	1.3%
Minth Group Ltd	China	Consumer Discretionary	1.3%
		Total:	**13.6%**

Individual securities listed in this report are for informational purposes only, and are not intended to be a recommendation or solicitation for the purchase or sale of securities. Market cap calculations are based on the free float adjusted market cap. 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 to do not represent all of the securities purchased or sold and you should not assume that investments in the securities identified and discussed were or will be profitable. A complete list of the purchases and sales in this strategy for the past 12 months is available upon request. Holdings are subject to change at any time.

Regional Exposure



Sectoral Exposure



Cash & Equivalents includes: cash, dividend accruals and forward currency contracts when we hold these positions. 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.

Source: Eagle

Characteristics of market capitalization, growth, profitability and valuation are shown below in the table.

	Emerging Markets Small Cap Growth Fund	MSCI Emerging Markets Small Cap (net)
Market Capitalization		
Medium [$3-15b]	16.4%	1.6%
Small [<$3b]	82.1%	98.3%
Fundamental Characteristics		
Growth		
EPS, 3 year historic	22.7%	14.6%
DPS, 3 year historic	19.7%	10.7%
Reinvestment rate	15.5%	8.2%
Profitability		
ROE	23.4%	11.3%
Operating Margin	21.2%	12.7%
Valuation		
PE [Estimated EPS]	17.5 X	13.1 X
Price-to-Book Value	4.0 X	2.3 X
EV/EBITDA	13.2 X	9.9 X

Market cap calculations are based on the free float adjusted market cap. Growth and profitability characteristics shown are weighted averages, and valuation characteristics shown are weighted harmonic averages.

	Portfolio Weight
EM Asia	**75.28**
China	**15.41**
Fuyao Glass Industry Group-H	1.35
China Lodging Group-Spon Ads	1.34
Minth Group Ltd	1.31
Shenzhen Investment Ltd	1.14
Sunny Optical Tech	0.92
Ct Environmental Group Ltd	0.91
Travelsky Technology Ltd-H	0.90
China Everbright Intl Ltd	0.90
Tal Education Group- Adr	0.85
Shenzhou International Group	0.77
Tarena International Inc-Adr	0.76
Huaneng Renewables Corp-H	0.57
Hollysys Automation Technolo	0.57
Haitian International Hldgs	0.52
Noah Holdings Ltd-Spon Ads	0.48
Huadian Fuxin Energy Corp -H	0.45
China Biologic Products Inc	0.45
Beijing Capital Intl Airpo-H	0.44
China Maple Leaf Educational	0.43
Xinyi Solar Holdings Ltd	0.36
India	**23.25**
Bharat Financial Inclusion L	1.68
Bajaj Finance Ltd	1.43
Eicher Motors Ltd	1.38
Havells India Ltd	1.33
Yes Bank Ltd	1.13
Indiabulls Housing Finance L	1.09
Upl Ltd	1.03
Kajaria Ceramics Ltd	1.02
Gruh Finance Ltd	0.99
Indusind Bank Ltd	0.98
Voltas Ltd	0.88

	Portfolio Weight
EM Asia (Continued)	
India (Continued)	
Indraprastha Gas Ltd	0.87
Pidilite Industries Ltd	0.76
Godrej Consumer Products Ltd	0.68
Ajanta Pharma Ltd	0.67
Berger Paints India Ltd	0.66
Marico Ltd	0.62
Zee Entertainment Enterprise	0.59
Pi Industries Ltd	0.54
Cholamandalam Investment And	0.53
Lic Housing Finance Ltd	0.53
Amara Raja Batteries Ltd	0.50
Britannia Industries Ltd	0.46
Finolex Industries Ltd	0.42
Mrf Ltd	0.38
Repco Home Finance Ltd	0.37
Bosch Ltd	0.34
Dr Lal Pathlabs Ltd	0.33
Supreme Industries Ltd	0.29
Motherson Sumi Systems Ltd	0.29
Blue Dart Express Ltd	0.18
Srf Ltd	0.17
Castrol India Ltd	0.13
Indonesia	**5.40**
Bank Tabungan Negara Persero	1.24
Pakuwon Jati Tbk Pt	1.10
Matahari Department Store Tb	0.65
Indofood Cbp Sukses Makmur T	0.60
Ciputra Development Tbk Pt	0.45
Waskita Karya Persero Tbk Pt	0.39
Mitra Keluarga Karyasehat Tb	0.36
Summarecon Agung Tbk Pt	0.30
Ace Hardware Indonesia	0.30

	Portfolio Weight
EM Asia (Continued)	
Pakistan	**2.39**
United Bank Ltd	0.69
Lucky Cement	0.49
D.G. Khan Cement	0.49
Maple Leaf Cement Factory	0.47
Hub Power Company	0.16
Engro Corporation Ltd	0.10
Philippines	**4.30**
Security Bank Corp	1.22
Gt Capital Holdings Inc	0.96
Jollibee Foods Corp	0.68
D&L Industries Inc	0.65
Puregold Price Club Inc	0.38
Metro Pacific Investments Co	0.32
Robinsons Land Co	0.10
South Korea	**6.31**
Hugel Inc	1.10
Mando Corp	0.99
Korea Kolmar Co Ltd	0.93
Bgf Retail Co Ltd	0.76
Vieworks Co Ltd	0.72
Hanon Systems	0.67
Medy-Tox Inc	0.39
Interojo Co Ltd	0.33
S-1 Corporation	0.25
Loen Entertainment Inc	0.15
Taiwan	**11.95**
Ennoconn Corp	1.28
Nien Made Enterprise Co Ltd	1.01
Hota Industrial Mfg Co Ltd	0.85
St Shine Optical Co Ltd	0.79
Tung Thih Electronic Co Ltd	0.78
Silicon Motion Technol-Adr	0.77

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 in any one particular sector. Holdings are subject to change at any time. Cash includes cash equivalents, accruals, and currency forwards when we hold these positions.

	Portfolio Weight
EM Asia (Continued)	
Taiwan (Continued)	
Advantech Co Ltd	0.60
Iron Force Industrial Co Ltd	0.53
Poya International Co Ltd	0.51
Wistron Neweb Corp	0.51
Posiflex Technology Inc	0.51
Sporton International Inc	0.45
Taiwan Paiho Ltd	0.43
Macauto Industrial Co Ltd	0.42
Voltronic Power Technology	0.39
Kung Long Batteries Industri	0.37
Shin Zu Shing Co Ltd	0.34
Sinbon Electronincs Co Ltd	0.34
Airtac International Group	0.30
Chin-Poon Industrial Co Ltd	0.24
Cub Elecparts Inc	0.19
Bizlink Holding Inc	0.15
Sunny Friend Environmental T	0.11
Actron Technology Corp	0.10
Thailand	**6.26**
Kce Electronics Pcl-Foreign	0.92
Minor International Pcl-For	0.69
Beauty Community Pcl-Foreign	0.62
Carabao Group Pcl-F	0.61
Central Plaza Hotel Pcl-Frgn	0.59
Kiatnakin Bank Pcl-For	0.56
Bangkok Chain Hospital-Foreg	0.51
Major Cineplex Group-Foreign	0.48
Tisco Financial-Foreign	0.35
Home Product Center Pcl-For	0.35
Srisawad Power 1979 Pcl-F	0.30
Supalai Public Co Ltd-For	0.27

	Portfolio Weight
EMEA	**10.94**
Czech Republic	**0.41**
Moneta Money Bank As	0.41
Georgia	**0.67**
Bgeo Group PLC	0.67
Kenya	**1.23**
Safaricom Ltd	1.23
Poland	**0.84**
Kruk SA	0.84
Romania	**0.97**
Banca Transilvania SA	0.97
Russia	**0.49**
Yandex Nv-A	0.49
South Africa	**3.59**
Avi Ltd	0.91
Cashbuild Ltd	0.71
Clicks Group Ltd	0.63
Pioneer Foods Group Ltd	0.51
Famous Brands Ltd	0.32
Capitec Bank Holdings Ltd	0.30
Psg Group Ltd	0.11
Jse Ltd	0.10
Turkey	**1.55**
Arcelik As	0.64
Tofas Turk Otomobil Fabrika	0.61
Ulker Biskuvi Sanayi	0.30
United Arab Emirates	**1.20**
Nmc Health PLC	0.85
Emaar Malls Pjsc	0.34

	Portfolio Weight
Latin America	**12.33**
Argentina	**0.52**
Banco Macro Sa-Adr	0.52
Brazil	**6.00**
Raia Drogasil SA	1.49
Cvc Brasil Operadora E Agenc	0.92
Lojas Renner S.A.	0.87
Ecorodovias Infra E Log SA	0.71
Localiza Rent A Car	0.61
Mrv Engenharia	0.45
Kroton Educacional SA	0.42
Randon Participacoes Sa-Pref	0.29
Linx SA	0.25
Chile	**0.96**
Parque Arauco S.A.	0.50
Aguas Andinas Sa-A	0.46
Mexico	**4.85**
Banregio Grupo Financiero SA	1.25
Grupo Aeroport Del Pacific-B	1.13
Grupo Aeroportuario Del Cent	0.63
Unifin Financiera Sab De Cv	0.49
Promotora Y Operadora De Inf	0.45
Alsea Sab De Cv	0.37
Grupo Fin Santander-B	0.30
Controladora Vuela Cia-Adr	0.24
Cash	**1.45**
Total	**100.00**

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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.

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.

Glossary - Terms

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.