

Small Cap Growth Fund

William Blair

Portfolio Review

September 2016

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Please refer to the final four pages of this Quarterly Review for definitions of the financial terms and Indices 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 mid 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 fund used by the Adviser may fail to produce its intended result. Investing in medium capitalization companies involves special risks, including higher volatility and lower liquidity. Mid-cap stocks are also more sensitive to purchase/sale transactions and changes in the issuer's financial condition. Convertible securities are at risk of being 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. Diversification does not ensure against loss.

The views expressed in this report and the information about the 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 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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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 all-time highs by mid-August. While equity market returns were strongly positive through mid-August, investors 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 Cap Growth Fund (Class N) slightly underperformed its benchmark, the Russell 2000 Growth Index, in the third quarter. Stock selection was the primary driver of relative performance as style factors were relatively neutral. Hudson Technologies (Industrials), which manufactures, services and sells refrigerants and services refrigerant systems, was the largest stock contributor to relative performance. The company announced it was awarded a significant government contract

early in the quarter. Also, there was speculation by investors that the longer than usual period of high summer temperatures in the U.S. this year would benefit Hudson when it announced third-quarter financial results. Both events were viewed as positive and caused the stock to outperform in the period. Accelerate Diagnostics (Health Care), a diagnostics company focused on developing systems for the rapid diagnosis of severe infections, outperformed after reporting positive progress regarding prelaunch plans and potential approval of its Accelerate Pheno system by the FDA. Other top contributors were Exact Sciences (Health Care), Nu Skin Enterprises (Consumer Staples) and LaMaitre Vascular (Health Care). The top detractors from performance were electronic market maker Virtu Financial and online auto parts provider U.S. Auto Parts Network. Virtu underperformed due to a challenging volume and volatility environment globally during July and August and U.S. Auto Parts underperformed due to speculation that the company's largest shareholder would sell its sizeable stock position. Other top detractors were Six Flags Entertainment (Consumer Discretionary), FirstCash (Financials) and Cambrex (Health Care).

For the year-to-date period, the Fund outperformed its benchmark by a significant margin due to both style factors and stock selection. From a style perspective, our smaller market cap bias was a tailwind in the period. Also, our style-driven underweight to Biotechnology and Pharmaceutical companies helped relative performance as these industries significantly underperformed the benchmark. In addition to the tailwind from our underweight to Biotechnology and Pharmaceutical companies, stock selection in Health Care was also a contributor to relative performance. Molecular diagnostics company Exact Sciences was the largest individual stock contributor in the sector. The company focuses on the early detection and

prevention of colorectal cancer and earlier this year received positive news that insurers will now cover its colorectal screening test after a favorable ruling from a task force of industry experts. For reasons mentioned above, Hudson Technologies (Industrials) was also a top contributor to relative performance for the year-to-date period. Other top relative contributors were Xactly (Information Technology), Universal Electronics (Consumer Discretionary) and USA Technologies (Information Technologies). The top detractor from relative performance was data management platform provider Hortonworks. The company underperformed early in the year due to a dilutive secondary offering and negative data points on pricing for the company's Hadoop platform. For reasons cited above, Virtu Financial (Financials) was also a top relative detractor for the period. Other top detractors were j2 Global (Information Technology), Akorn (Health Care) and Air Methods Corporation (Health Care).

Looking forward, at the forefront of investors' minds in the U.S. are the potential rate hike by the FOMC and the upcoming 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 difficult 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

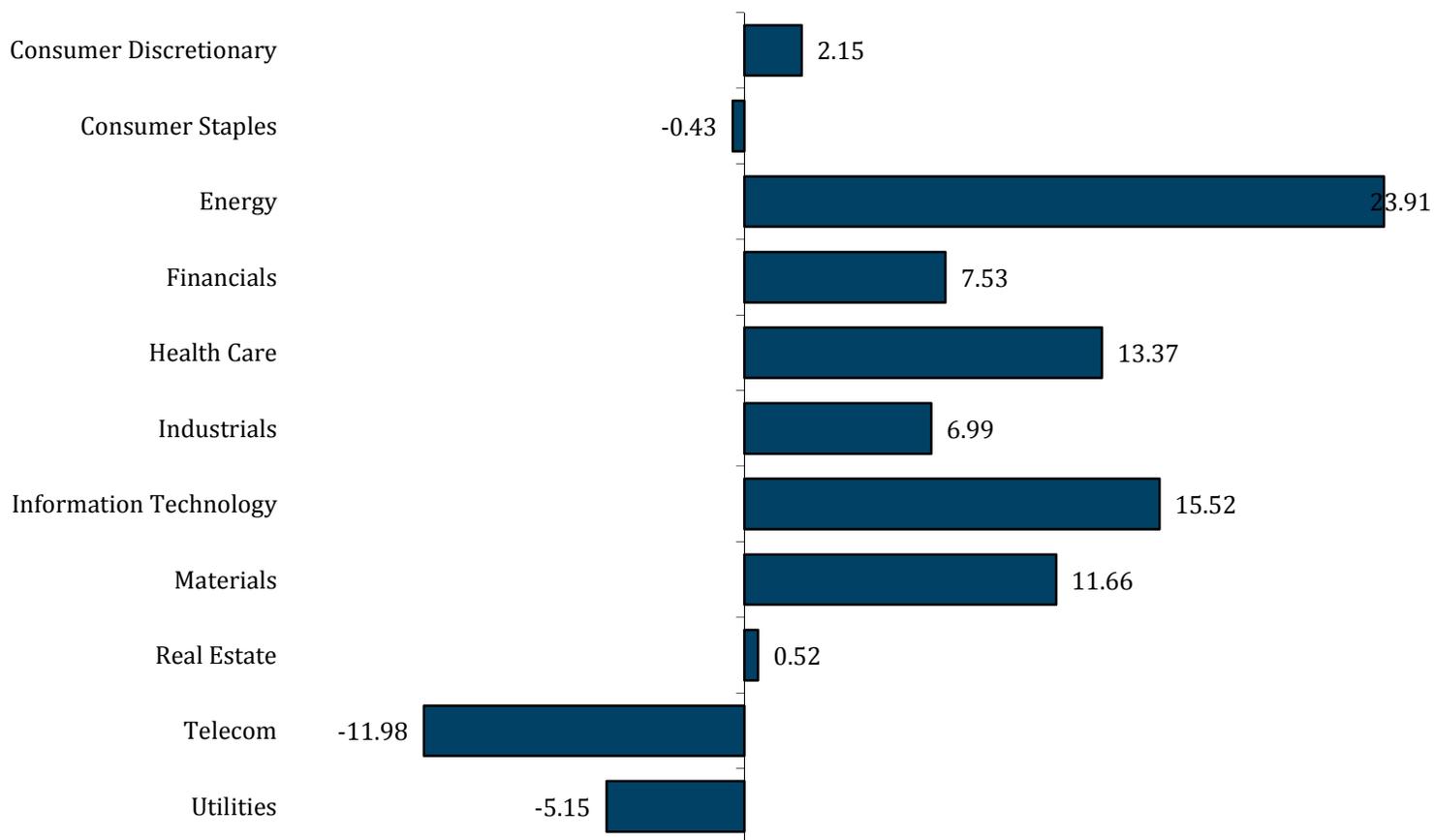
- Style performance was mixed in September with growth outperforming value in the large and small cap segments while value led growth in the mid cap segments.
- While growth outperformed value during the quarter, value continues to outperform growth YTD with the dispersion of returns between the value 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. The Russell 3000 Index measures the performance of the all-cap segment of the U.S. equity universe. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell Midcap Index measures the performance of the mid cap segment of the U.S. equity universe. It includes approximately 800 of the smallest securities in the Russell 1000 Index based on a combination of their market cap and current index membership. The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe. It includes approximately 2500 of the smallest securities in the Russell 3000 Index based on a combination of their market cap and current index membership. The Russell 2000 Index measures the performance of the small cap segment of the U.S. equity universe. It includes approximately 2000 of the smallest securities in the Russell 3000 Index based on a combination of their market cap and current index membership. Core returns represent the Total Return indices. The value segments of these indices include companies with lower price-to-book ratios and lower forecasted growth values. The growth segments of these indices include companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 2000 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 2000 Growth Index measures the performance of those Russell 2000 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.

The table below shows the portfolio performance in comparison to its benchmark, the Russell 2000 Growth.

| Periods ended 9/30/2016 | Quarter | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---------|--------|--------|--------|--------|---------|
| Small Cap Growth Fund (WBSNX) Class N | 9.04% | 13.31% | 18.70% | 6.11% | 17.54% | 6.65% |
| Small Cap Growth Fund (WBSIX) – Class I | 9.11% | 13.53% | 18.99% | 6.37% | 17.83% | 6.94% |
| Russell 2000 Growth | 9.22% | 7.48% | 12.12% | 6.58% | 16.15% | 8.29% |

Small Cap Growth Fund Expense Ratios:

| | <u>Gross</u> | <u>Capped*</u> |
|----------------|--------------|----------------|
| Class N Shares | 1.59% | 1.50% |
| Class I Shares | 1.30% | 1.25% |

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

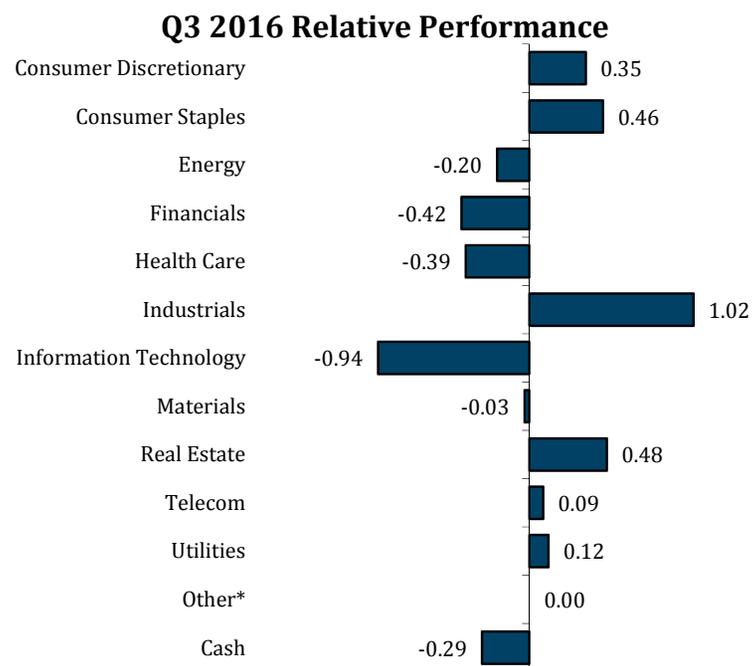
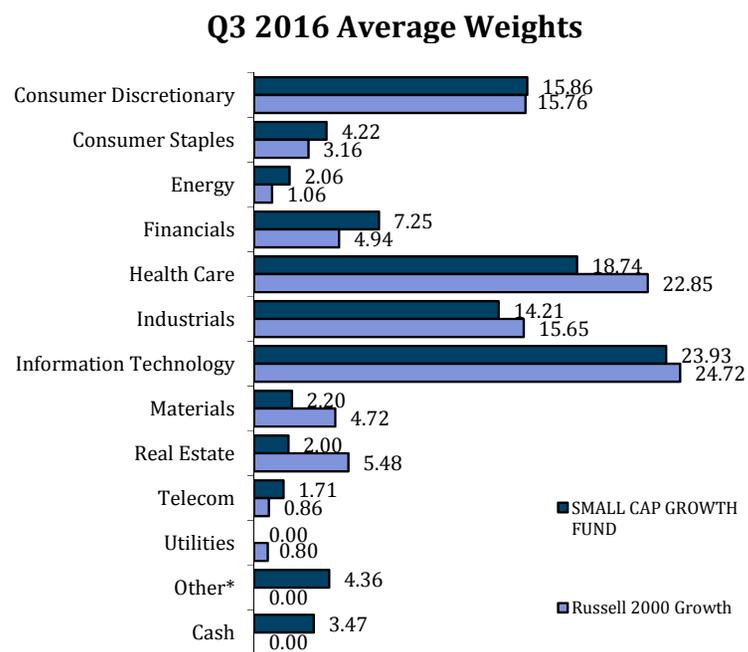
*The Fund’s Adviser has contractually agreed to waive fees and/or reimburse expenses to limit operating expenses until 4/30/17.

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.

The Russell 2000® Growth Index consists of small-capitalization 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.



*Other represents Ishares Russell 2000 Growth

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 2000 Growth Index measures the performance of those Russell 2000 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.

Hudson Technologies (HDSN) manufactures, services and sells refrigerants and services refrigerant systems used in residential and commercial air conditioning and industrial processing. In July, the company announced it had been awarded a significant contract by the United States Defense Logistics Agency with an estimated maximum value over the term of the agreement of \$400M in sales to the Department of Defense. With this contract, Hudson will provide management and supply of refrigerants, compressed gasses, cylinders and related items to U.S. Military Commands and Installations, Federal civilian agencies and Foreign Militaries. In addition to winning the contract, temperatures were above normal for a longer period during the summer across much of the East and West Coast, and there were signs of increased demand for cooling products and services which Hudson offers. The stock outperformed based on the announcement of the new contract and speculation of a strong quarter due to weather. We trimmed the stock on its outperformance in the quarter, but believe positive supply/demand trends still exist in the recycling of refrigerants which Hudson will be able to capitalize on as the market leader in the industry.

Accelerate Diagnostics (AXDX) is a diagnostics company focused on developing systems for the rapid diagnosis of severe infections. The company's Accelerate Pheno system is a revolutionary system that identifies an infectious organism and the appropriate care to treat that organism much faster than current methods. In the quarter, company management announced communication with the FDA in regards to the approval of the Pheno system was ongoing and progressing as expected. This news was viewed as positive and had investors projecting the system would get approval in the fourth quarter of 2016. Management also said they were confident regarding the progression of prelaunch plans of the product. These positive signals caused the stock to have strong relative performance in the quarter. We trimmed our position on the strength but continue to believe the Accelerates Pheno system addresses a significant, unmet need for hospitals. The market opportunity is significant, and the company's management team has a previous record of success, which gives us confidence they can execute and grow the business significantly over the long term.

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 trimmed our position on strength, but 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.

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. We maintained our position during the quarter as we remain positive on the company's long-term growth prospects, including its upcoming skin care product launch.

LeMaitre Vascular (LMAT) is a medical device company that provides niche products to the peripheral vascular surgery market. Shares of LeMaitre Vascular advanced in the quarter, benefiting from strong revenue growth, driven by sales of its biologic patch XenoSure. Strength in this product line was bolstered by an FDA recall of Baxter's competing product. We maintained our position as we continue to believe LeMaitre Vascular can drive growth through price increases, R&D driven product enhancements, international salesforce expansion and tuck-in acquisitions.

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 Fund for the past 12 months is available upon request. Holdings are subject to change at any time.

Virtu Financial (VIRT) is a leading electronic market maker and liquidity provider to the global financial marketplace. The company makes a market in 11,000 securities on more than 225 exchanges in over 30 countries in a variety of assets classes including equities, commodities and currencies. While financial results for the second quarter were largely in-line with consensus expectations, the company released market activity indicators in September that noted a challenging volume and volatility environment globally during July and August. Investors speculated that this would likely have negative implications for Virtu's third quarter financial results. We maintained our position in the stock and believe Virtu Financial's scale and asset class diversification create a large barrier to entry (pricing advantage) and lower risk profile. We expect growth to be driven by continued growth in global capital markets, further penetration of electronic exchange trading (OTC derivatives principally in developed markets) and entry into new markets such as China.

U.S. Auto Parts (PRTS) is a leading online provider of aftermarket auto parts, including body parts, engine parts and accessories. Weakness in the stock during the quarter was primarily due to speculation that the largest shareholder of company stock would sell its position. Given the potential sale of a large block of shares, there was pressure on the stock price. There was no impact on the fundamentals of the company and we maintained our position in the quarter. We believe the company's lower-cost online strategy, along with its logistics and international sourcing expertise will enable solid growth in the future.

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.

FirstCash (FCFS) provides consumer financial services and related specialty products, primarily through its network of pawn shops in the United States and Mexico. Shares of FirstCash lagged in the quarter, primarily in response to significant weakening in the Mexican Peso and the related translation impact given the company's meaningful business exposure in Mexico. Business fundamentals remain strong. We maintained our position given the company's strong management team, barriers to entry in the U.S. market and substantial growth opportunity in Mexico and other Latin American countries.

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. Highly regulated end markets for its products, long development cycle times and high switching costs for its customers create sticky and recurring revenues for Cambrex. Furthermore, in a highly fragmented industry with increased FDA scrutiny and harder to manufacture products, Cambrex's strategic reinvestment into state of the art capacity expansion should enable above market growth rates going forward.

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| Top 10 Holdings by Weight | | |
|----------------------------------|----------------------------------|----------------------------|
| | Small Cap Growth Fund | Russell 2000 Growth |
| | <u>% in Portfolio</u> | <u>% in Index</u> |
| Ishares Russell 2000 Growth | 4.49 | 0.00 |
| J2 Global Inc | 2.43 | 0.36 |
| Six Flags Entertainment Corp | 2.15 | 0.00 |
| Nutrisystem Inc | 2.06 | 0.10 |
| Firstcash Inc | 1.91 | 0.15 |
| Nu Skin Enterprises Inc - A | 1.89 | 0.00 |
| Universal Electronics Inc | 1.88 | 0.12 |
| Axiom Corp | 1.86 | 0.12 |
| Mercury Systems Inc | 1.79 | 0.01 |
| Healthsouth Corp | 1.78 | 0.41 |
| Total: | <u>22.24</u> | <u>1.26</u> |

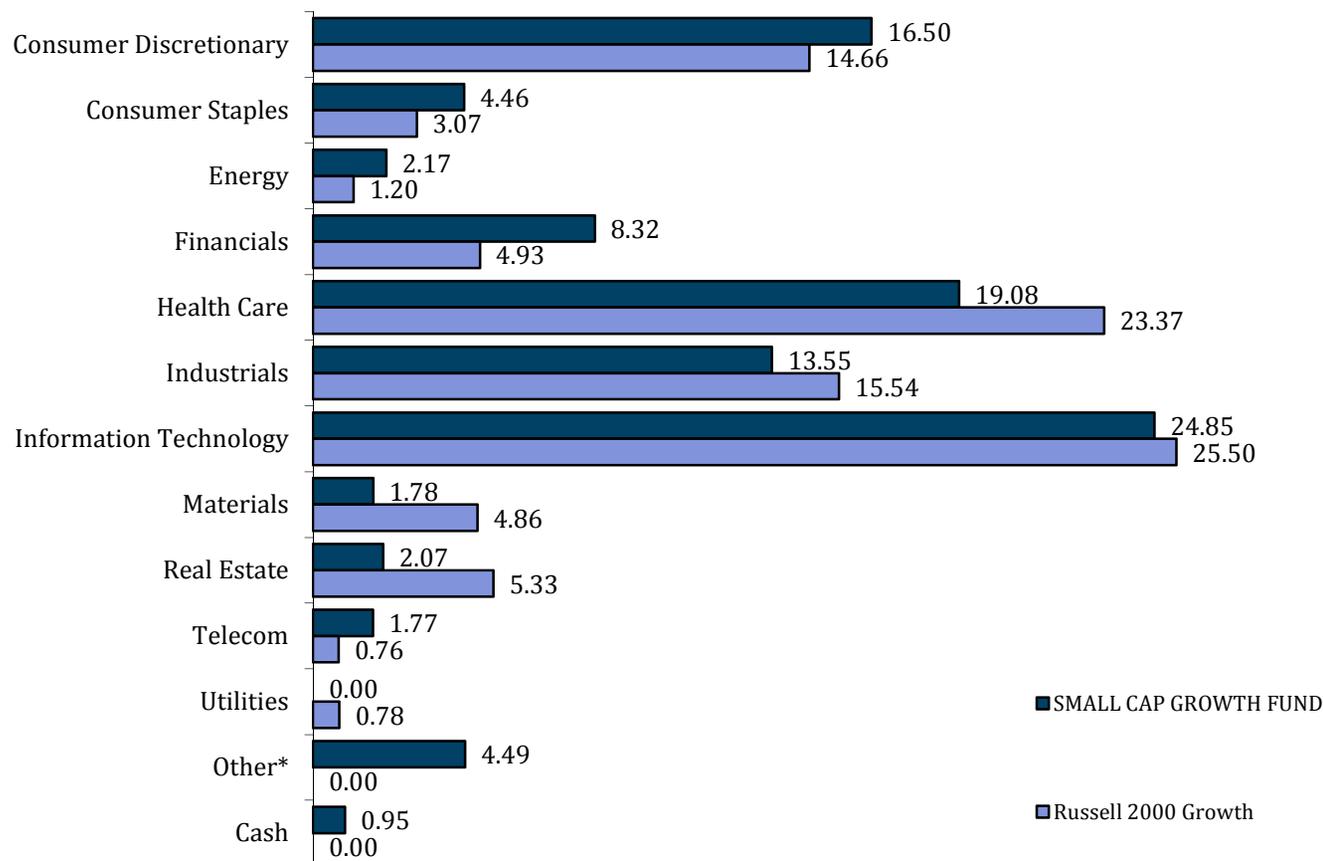
Calculated in Eagle. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. Holdings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

| | Small Cap Growth Fund | Russell 2000 Growth |
|-----------------------------------|-----------------------|---------------------|
| EPS Growth (LT forecast) | 17.3% | 16.9% |
| EPS Growth (3-year historic) | 13.2% | 15.7% |
| P/E Ratio (1-year forecast) | 23.0x | 28.5x |
| EV to EBITDA (1-year historic) | 13.7x | 12.4x |
| EV to Sales (1-year historic) | 3.3x | 3.4x |
| Weighted Average Market Cap (\$M) | \$1,979 | \$2,013 |
| Weighted Median Market Cap (\$M) | \$1,618 | \$1,948 |
| Number of Securities | 80 | 1154 |

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



**Other represents Ishares Russell 2000 Growth*

Based on Global Industry Classification Sectors (GICS). Calculated in Eagle. Past returns are no guarantee of future results. The Russell 2000 Growth Index measures the performance of those Russell 2000 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 | | Portfolio Weight | Benchmark Weight | | Portfolio Weight | Benchmark Weight |
|-------------------------------|------------------|------------------|-----------------------------|------------------|------------------|-----------------------------------|------------------|------------------|
| CONSUMER DISCRETIONARY | 16.50 | 14.66 | HEALTH CARE | 19.08 | 23.37 | INFORMATION TECHNOLOGY | 24.85 | 25.50 |
| Six Flags Entertainment Corp | 2.15 | 0.00 | Healthsouth Corp | 1.78 | 0.41 | J2 Global Inc | 2.43 | 0.36 |
| Nutrisystem Inc | 2.06 | 0.10 | Atricure Inc | 1.55 | 0.04 | Axciom Corp | 1.86 | 0.12 |
| Universal Electronics Inc | 1.88 | 0.12 | Cambrex Corp | 1.51 | 0.16 | Usa Technologies Inc | 1.61 | 0.02 |
| Imax Corp | 1.37 | 0.20 | Nxstage Medical Inc | 1.46 | 0.18 | Guidewire Software Inc | 1.46 | 0.00 |
| Gentherm Inc | 1.36 | 0.13 | Exact Sciences Corp | 1.42 | 0.22 | Wns Holdings Ltd-Adr | 1.41 | 0.00 |
| Devry Education Group Inc | 1.31 | 0.00 | Lemaitre Vascular Inc | 1.32 | 0.03 | Ultimate Software Group Inc | 1.35 | 0.00 |
| Cable One Inc | 1.26 | 0.00 | Ligand Pharmaceuticals | 1.31 | 0.22 | Pandora Media Inc | 1.35 | 0.00 |
| Golden Entertainment Inc | 1.19 | 0.00 | Akorn Inc | 1.27 | 0.00 | Zu Inc | 1.28 | 0.16 |
| Us Auto Parts Network Inc | 1.09 | 0.00 | Air Methods Corp | 1.25 | 0.13 | Callidus Software Inc | 1.18 | 0.12 |
| Steven Madden Ltd | 1.08 | 0.24 | Veeva Systems Inc-Class A | 1.18 | 0.00 | Neustar Inc-Class A | 1.15 | 0.05 |
| Lithia Motors Inc-Cl A | 1.08 | 0.26 | Glaukos Corp | 1.09 | 0.07 | Take-Two Interactive Softwre | 1.12 | 0.43 |
| Collectors Universe | 0.67 | 0.02 | Accelerate Diagnostics Inc | 0.95 | 0.07 | Realpage Inc | 1.11 | 0.16 |
| CONSUMER STAPLES | 4.46 | 3.07 | Lhc Group Inc | 0.94 | 0.00 | Csra Inc | 1.05 | 0.00 |
| Nu Skin Enterprises Inc - A | 1.89 | 0.00 | Repligen Corp | 0.90 | 0.12 | Cardconnect Corp | 1.04 | 0.00 |
| Usana Health Sciences Inc | 1.03 | 0.08 | Amedisys Inc | 0.69 | 0.15 | Inphi Corp | 1.03 | 0.20 |
| Wd-40 Co | 0.90 | 0.18 | Neogenomics Inc | 0.46 | 0.05 | Maxlinear Inc-Class A | 1.03 | 0.13 |
| Amplify Snack Brands Inc | 0.64 | 0.05 | INDUSTRIALS | 13.55 | 15.54 | Envestnet Inc | 0.97 | 0.17 |
| ENERGY | 2.17 | 1.20 | Mercury Systems Inc | 1.79 | 0.01 | Osi Systems Inc | 0.96 | 0.00 |
| Carrizo Oil & Gas Inc | 0.81 | 0.26 | Heico Corp-Class A | 1.73 | 0.00 | Maximus Inc | 0.96 | 0.42 |
| Callon Petroleum Co | 0.71 | 0.22 | Hudson Technologies Inc | 1.56 | 0.00 | Xactly Corp | 0.50 | 0.04 |
| Gulfport Energy Corp | 0.64 | 0.00 | Esco Technologies Inc | 1.53 | 0.00 | MATERIALS | 1.78 | 4.86 |
| FINANCIALS | 8.32 | 4.93 | Icf International Inc | 1.32 | 0.00 | Stillwater Mining Co | 1.33 | 0.00 |
| Firstcash Inc | 1.91 | 0.15 | Bwx Technologies Inc | 1.29 | 0.00 | Codexis Inc | 0.45 | 0.02 |
| Om Asset Management PLC | 1.39 | 0.04 | John Bean Technologies Corp | 1.15 | 0.24 | REAL ESTATE | 2.07 | 5.33 |
| Virtu Financial Inc-Class A | 1.30 | 0.04 | Dun & Bradstreet Corp | 0.93 | 0.00 | Firstservice Corp | 1.25 | 0.00 |
| Meta Financial Group Inc | 0.92 | 0.00 | Gp Strategies Corp | 0.78 | 0.04 | Colliers International Group | 0.82 | 0.00 |
| Cowen Group Inc-Class A | 0.89 | 0.00 | Nv5 Global Inc | 0.68 | 0.02 | TELECOMMUNICATION SERVICES | 1.77 | 0.76 |
| B. Riley Financial Inc | 0.88 | 0.00 | Albany Intl Corp-Cl A | 0.52 | 0.02 | Orbcomm Inc | 1.77 | 0.07 |
| Bofi Holding Inc | 0.55 | 0.14 | Ceb Inc | 0.26 | 0.20 | UTILITIES | 0.00 | 0.78 |
| Encore Capital Group Inc | 0.47 | 0.00 | | | | [Unassigned] | 4.49 | 0.00 |
| | | | | | | Ishares Russell 2000 Growth | 4.49 | 0.00 |
| | | | | | | Cash | 0.95 | 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.

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.

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.