Small Cap Growth Fund

William Blair

Quarterly Review

December 2017

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Risks:

The views expressed in this report and the information about the holdings are as of the date of this material, unless otherwise noted, and are subject to change. 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 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.

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.

This content is for informational and educational purposes only and is not intended as investment advice or a recommendation to buy or sell any security. Investment advice and recommendations can be provided only after careful consideration of an investor's objectives, guidelines and restrictions.

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 Review

Robust performance across growth style indices in the fourth quarter added to prior gains, resulting in exceptionally strong benchmark returns for 2017. Improving economic data and solid corporate earnings growth supported a steady market advance throughout the year. With below average volatility and stable inflationary expectations, equity market valuation multiples expanded, adding to 2017 returns.

Fourth quarter trends were consistent with 2017 themes in terms of economic and corporate health. Housing data indicated rising activity levels and prices, Purchasing Manager Index ("PMI") levels suggested strength in the manufacturing sector and unemployment neared historic lows. With rising stock and housing prices bolstering consumer net worth, confidence rose accordingly. Corporations were broadly upbeat as, in aggregate, they reported healthy earnings growth and issued forward looking guidance that topped expectations. Furthermore, corporations indicated plans to increase capital expenditures. Not surprisingly given tight labor markets, the U.S. Federal Reserve ("Fed") voted to raise the federal funds rate for the third time in 2017 and reiterated expectations for as many increases in 2018.

The U.S. tax reform bill was signed into law in late December, notably cutting the corporate statutory tax rate to 21% from 35%. In addition, the bill allows for faster depreciation of capital investments than was previously allowed, further increasing the likelihood that higher capital spending comes to fruition. While the bill is positive for U.S. corporations, the same was not true in terms of the short term impact on our relative performance as stocks with higher tax rates outperformed somewhat indiscriminately on the news. Over time, we believe the market will differentiate between companies that can retain the benefit of the tax reduction and those that will have it competed away. Given our bias toward companies with strong competitive positions, unique products and services and pricing power, we feel well positioned longer term in this regard.

Fund Performance

The William Blair Small Cap Growth Fund (Class N) outperformance of the Russell 2000 Growth in the fourth quarter was driven by stock specific dynamics. The Fund benefited from strong stock selection in Information Technology and our position in USA Technologies was a standout within the sector. The stock outperformed after the company announced the acquisition of a business that would complement its current offering of technology and services that facilitate electronic payments at unattended point-of-sale terminals. Other top contributors were Boot Barn Holdings, Golden Entertainment and At Home Group in Consumer Discretionary and Codexis in Materials. Following a period of sales disruptions, shares of western and work wear retailer Boot Barn Holdings advanced significantly as investors began to re-focus on the long term growth opportunity after the company reported strong results and visibility improved. Conversely, stock selection within Health Care dampened relative performance. Notable underperformers in the sector included Acadia Healthcare, NeoGenomics and CryoLife. Shares of behavioral health company Acadia Healthcare declined in part due to operational weakness across the company's United Kingdom facilities and tight labor conditions in the region. We liquidated our position due to our reduced confidence in management's ability to identify and address the issues that caused the weakness. Other notable detractors included Universal Electronics (Consumer Discretionary) and Willdan Group (Industrials). Remote control developer Universal Electronics underperformed on what we believe to be transitory issues, including testing delays of new devices and order delays from customers, and we added to our position. From a style perspective, our typical smaller market cap bias provided a modest headwind as micro-cap stocks generally lagged in the quarter. Stock specific contributors and detractors for the fourth quarter are discussed in greater detail at the end of this quarterly review.

The Fund (Class N) significantly outperformed its benchmark during 2017. Outperformance was the result of strong stock selection, as style factors were modestly negative in the period. We had positive stock selection in several sectors during the year, most notably in Information Technology and Consumer Discretionary. Positions in USA Technologies and 2U were top contributors in Information Technology, while Golden Entertainment and Boot Barn Holdings were standouts in Consumer Discretionary. Golden Entertainment outperformed as the company reported strong revenue growth in its distributed gaming business and made a number of acquisitions that were well received by investors. In addition, our position in Exact Sciences (Health Care) was a strong individual contributor to performance. Exact Sciences' colorectal screening test, Cologuard, is increasingly being viewed as the standard of care in colorectal cancer screening and the stock reacted accordingly. From a style perspective, our higher growth bias was a modest tailwind during the year, but was offset by a more significant headwind from our typical underweight to the Biotechnology industry, which materially outperformed. From a stock specific standpoint, our top individual detractors for the period were Team (Industrials) and Fulgent Genetics (Health Care). Shares of Team, a provider of specialty inspection and maintenance services, declined as a result of weak demand for its non-discretionary services and the company's announcement of a convertible debt offering. Fulgent Genetics underperformed on a number of fundamental setbacks, including a shift in the market toward single gene tests, away from higher priced panels. Other notable 2017 detractors included Universal Electronics (Consumer Discretionary), U.S. Auto Parts Network (Consumer Discretionary) and Pandora Media (Information Technology).

Outlook

As we look forward, several factors could provide continued support for equities, although contrary to the somewhat euphoric market sentiment of late, they are not without risk. While the Fed has embarked upon a path of monetary policy renormalization and U.S. short term interest rates have begun to rise, global interest rates remain low by historic standards. Moreover, other measures of stress in the financial markets, such as high yield bond spreads, remain near cycle lows. Globally, solid economic growth rates, high corporate earnings and strengthening PMIs are other indicators of a broadly supportive environment for equities. Specifically within the U.S., corporations stand to benefit from the reduction of the corporate tax rate and the Administration's emphasis on deregulation. However, it remains to be seen how long those measures can sustain the current expansion or if they will have a more meaningful impact on economic growth in the next expansion. As Republican control of the U.S. House and Senate potentially weakens in 2018, politicians' attention could shift to mid-term elections rather than on any legislative agenda. Lack of further progress on pro-growth initiatives and a flattening yield curve within the U.S. could dampen optimism about the sustainability of economic growth, while a potential geopolitical conflict in the Korean Peninsula remains a significant risk globally. For the time being, however, we appear to be in the midst of a classic

"Goldilocks" economy, at least as it relates to the financial markets.

As we approach the ninth anniversary of the current bull market and following a particularly strong year for equities, absolute valuations are elevated relative to historical standards; however, they do not appear egregious against the backdrop of low interest rates, low inflation and narrow high yield bond spreads. While corporate profit margins remain high, one notable risk to margins going forward is pressure from rising wages. On the surface, wage inflation has been relatively benign, but the trend of increasing wages becomes clear with an adjustment for the impact of higher-paid retirees being replaced by lower-paid entrants to the workforce. This will be of pressing concern for companies with more labor-intensive businesses and companies in more competitive industries with low barriers to entry that are unable to pass higher costs through to their customers. We continue to focus our attention on identifying durable businesses with significant competitive advantages and robust growth prospects that present compelling risk/reward opportunities. We believe portfolios with these underlying characteristics are well positioned to deliver outperformance for our clients over the long term.

	Value	Core	Growth
Month to Date			
Russell 3000	1.28	1.00	0.73
Russell 1000	1.46	1.11	0.78
Russell Midcap	1.24	0.93	0.54
Russell 2500	0.40	0.34	0.27
Russell 2000	-0.95	-0.40	0.12
Quarter to Date			
Russell 3000	5.08	6.34	7.61
Russell 1000	5.33	6.59	7.86
Russell Midcap	5.50	6.07	6.81
Russell 2500	4.25	5.24	6.35
Russell 2000	2.05	3.34	4.59
Year to Date			
Russell 3000	13.19	21.13	29.59
Russell 1000	13.66	21.69	30.21
Russell Midcap	13.34	18.52	25.27
Russell 2500	10.36	16.81	24.46
Russell 2000	7.84	14.65	22.17

Market Performance

- Benchmark returns in December were mostly positive and supported by stronger than expected corporate earnings and steadily improving domestic economic data. The U.S. tax reform bill that notably reduced the corporate tax rate, also contributed to rising equity prices.
- Improving economic data and solid corporate earnings growth supported a steady market advance throughout the year. The combination of below average volatility and stable inflationary expectations enabled equity market valuation multiples to expand, adding to 2017 returns.

Style Performance

- While growth benchmarks outperformed across the market cap spectrum during the quarter, the value benchmarks largely outperformed in December. The only exception to this was within small caps where growth outperformed value.
- Growth benchmarks meaningfully outperformed value benchmarks in 2017 after trailing significantly in 2016.

Market Cap Performance

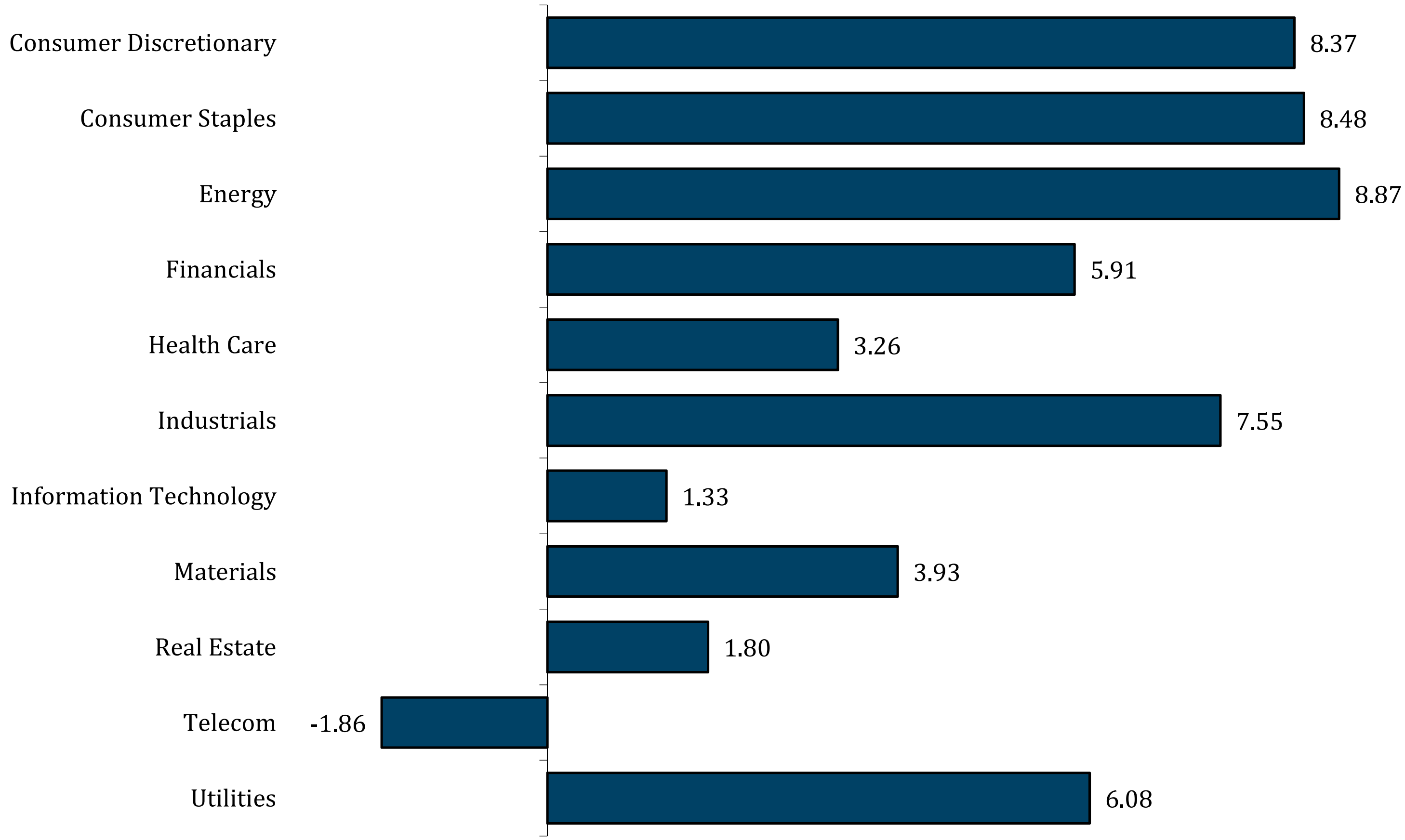
- Performance in December was linear within both sets of style benchmarks, with larger caps outperforming smaller caps. For the quarter, performance was again linear within the growth benchmarks, with larger caps outperforming. However, within the value benchmarks, while large caps outperformed small caps, the best performing segment was mid caps.
- For 2017, large caps led all other size segments.

Source: FactSet; Eagle

Past Performance is not a guarantee of future results. *A direct investment is 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
Q4 2017



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.

Periods ended 12/31/2017	Quarter	1 Year	3 Year	5 Year	10 Year
Small Cap Growth Fund (WBSNX) Class N	4.81%	26.70%	12.91%	17.67%	9.24%
Small Cap Growth Fund (WBSIX) Class I	4.89%	26.99%	13.19%	17.97%	9.52%
Russell 2000 Growth	4.59%	22.17%	10.28%	15.21%	9.19%

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.

Small Cap Growth Fund Expense Ratios:

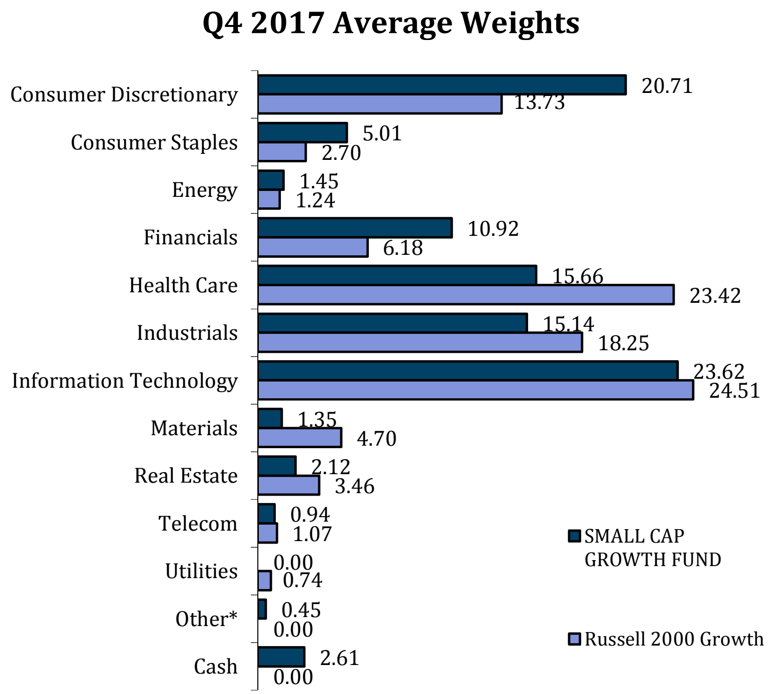
	Gross	Net
Class N Shares	1.55%	1.50%
Class I Shares	1.27%	1.25%

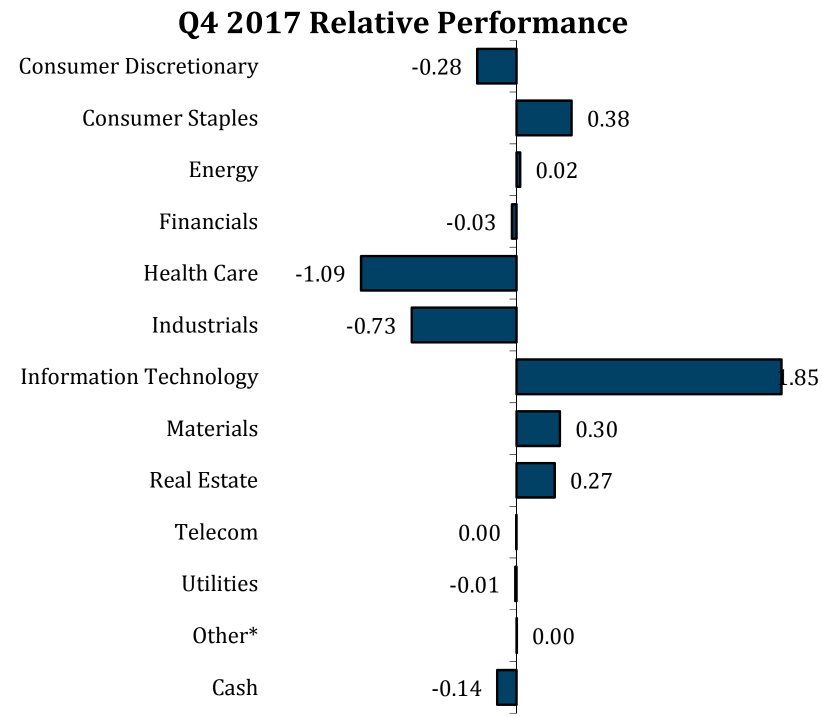
The Fund's Adviser has contractually agreed to waive fees and/or reimburse expenses to limit fund operating expenses until 4/30/18.

Expenses shown are as of the most recent prospectus.

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.

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





**Other represents Ishares Russell 2000 Growth.*
Source: Opturo.

Past returns are no guarantee of future results. *Based on Global Industry Classification Sectors (GICS). Concentration of assets in one or a few sectors may entail greater risk than a fully diversified stock portfolio and should be considered as only part of a diversified portfolio.*

Boot Barn Holdings (BOOT) is a western and work wear retailer with a market leading position in an otherwise fragmented category with low fashion exposure. The stock significantly outperformed during the quarter as the company reported strong results and visibility began to improve. Positive comparable store sales growth exceeded consensus expectations, despite a headwind from Hurricane Harvey, and gross margins expanded, driven by higher full price selling and private label penetration. In addition, sales from stores in highly energy sensitive regions showed improvement. Following a period of various sales disruptions, the stock advanced significantly as investors began to re-focus on the long term growth opportunity. We maintained our position and believe that a substantial long term earnings growth opportunity remains, driven by a recovery in comparable stores sales growth and new store openings.

USA Technologies (USAT) is a provider of technology and services to facilitate electronic payments to unattended point-of-sale terminals, vending machines and kiosks. The stock outperformed after the company announced the acquisition of Cantaloupe Systems, Inc., a provider of cloud and mobile solutions for vending, micro markets and office coffee service. The deal makes strategic sense given the two businesses' complementary product offerings. However, strong relative performance of the stock and potential integration risk from the acquisition caused us to trim the position. We continue to believe the company is well positioned to grow its installed base and gain market share in a fragmented industry.

Golden Entertainment (GDEN) owns and operates several casinos and a distributed gaming business which includes the installation, maintenance and operation of gaming devices in non-casino locations. The stock advanced considerably in October and November. Golden Entertainment completed the acquisition of American Casino and Entertainment in October, significantly increasing the company's earnings exposure to the casino business, and reported quarterly results in November that investors received favorably. Highlights of the quarter included strong margin expansion, notably in the casino business, and a small, attractively priced acquisition of a distributed gaming route. We trimmed our position on strength. We believe further expansion of the Distributed Gaming segment, better management of recently acquired American Casino and Entertainment properties and rapid de-leveraging following that significant acquisition will drive revenue growth and margin expansion that is currently underappreciated by the market.

At Home Group (HOME) is a home furnishings retailer with approximately 130 stores in the U.S. The company differentiates itself from competitors by combining low price points, a unique merchandise mix (70% of sales are private-label, unbranded and/or co-branded) and a focus on home décor. The company reported same store sales growth that was well above consensus estimates. Strength was broad-based by categories, geographies and store vintages. We trimmed the position on strength, but continue to believe new store openings and same store sales growth will persist as the company leverages its unique value proposition to take share from competitors.

Codexis (CDXS) is a protein engineering company whose CodeEvolver enzyme engineering platform enables faster and more cost-effective enzyme manufacturing for its pharmaceutical, food ingredient and industrial customers. During the quarter, Codexis announced a partnership with Nestle Health Science's Vitaflo subsidiary that includes the development of an enzyme for the management of an orphan metabolic disorder, phenylketonuria (PKU). The PKU opportunity is significant for Codexis in terms of milestone payments leading to an FDA approval, as well as sales milestones and royalties following a potential approval. Outside of the newly announced partnership, Codexis continued to execute on current partnerships and pursue other collaborations across pharmaceutical, food ingredient and chemical companies. We added to our position. We believe that Codexis will benefit from increased demand tied to several secular trends, including higher biopharma R&D productivity and continued pharmaceutical pricing pressure, and that the stock remains largely undiscovered due to its historical industrial enzymes orientation and legacy coverage by Chemicals analysts.

Acadia Healthcare Company (ACHC) is a behavioral health company which operates a network of inpatient psychiatric facilities, substance abuse centers, residential treatment centers, and specialty behavioral programs. Shares of Acadia Healthcare declined after the company reported earnings that fell short of expectations and lowered forward looking earnings guidance. While a portion of the miss resulted from a hurricane impact in the U.S., the majority was related to operational weakness in the United Kingdom and exacerbated by tight labor conditions and increased use of temporary staffing in the region. We liquidated our position due to our reduced confidence in management's ability to identify and address the issues that caused weakness in the United Kingdom, which represents a material portion of the company's revenues.

Universal Electronics (UEIC) is the leading developer and manufacturer of remote control devices and software that helps simplify and expand the universal control of home entertainment systems. The company's customers include Comcast, DirecTV, Samsung, LG, Sony and Microsoft. The stock underperformed after the company reported revenue and earnings for the prior quarter that were below expectations. Testing delays of new devices and order delays from customers were the primary causes of the lower-than-expected results. While the company was hampered by delays in production and delivery during the year, we believe these issues are temporary and the risk/reward of the stock is attractive at its current level. The company is utilizing its technical expertise to expand into new markets such as the Internet of Things and home automation and is still poised to benefit from cable and satellite providers rolling out next-generation remotes. Thus, we increased our position.

NeoGenomics (NEO) is a genetic and molecular diagnostics company providing lab services to oncologists, pathologists and hospitals. Shares of NeoGenomics declined after the company preannounced third quarter revenue and provided preliminary fourth quarter guidance that disappointed investors. While recent weakness was partly attributable to the impact of Hurricanes Harvey and Irma and NeoGenomics' sale of PathLogic, the rationale for the reduction in forward looking estimates was less clear. While business fundamentals appeared strong, with volume growth trending ahead of investor expectations, the lack of visibility and more cautious take from management caused us to reduce our position size during the quarter in anticipation of potential near-term volatility.

Willdan Group (WLDN) provides energy efficiency consulting services to utilities, state and local governments, and corporations, and engineering and construction services to the public sector. The stock underperformed in the quarter as margins over the course of 2017 came in modestly lower than what was expected at the beginning of the year. In addition, the company historically received a significant tax deduction, related to its work around energy efficiency, that Congress allowed to expire in 2017 in anticipation of lowering the corporate tax rate more broadly. We maintained our position. We believe Willdan will drive growth through above average new business win rates and an expanding market opportunity for its energy efficiency business.

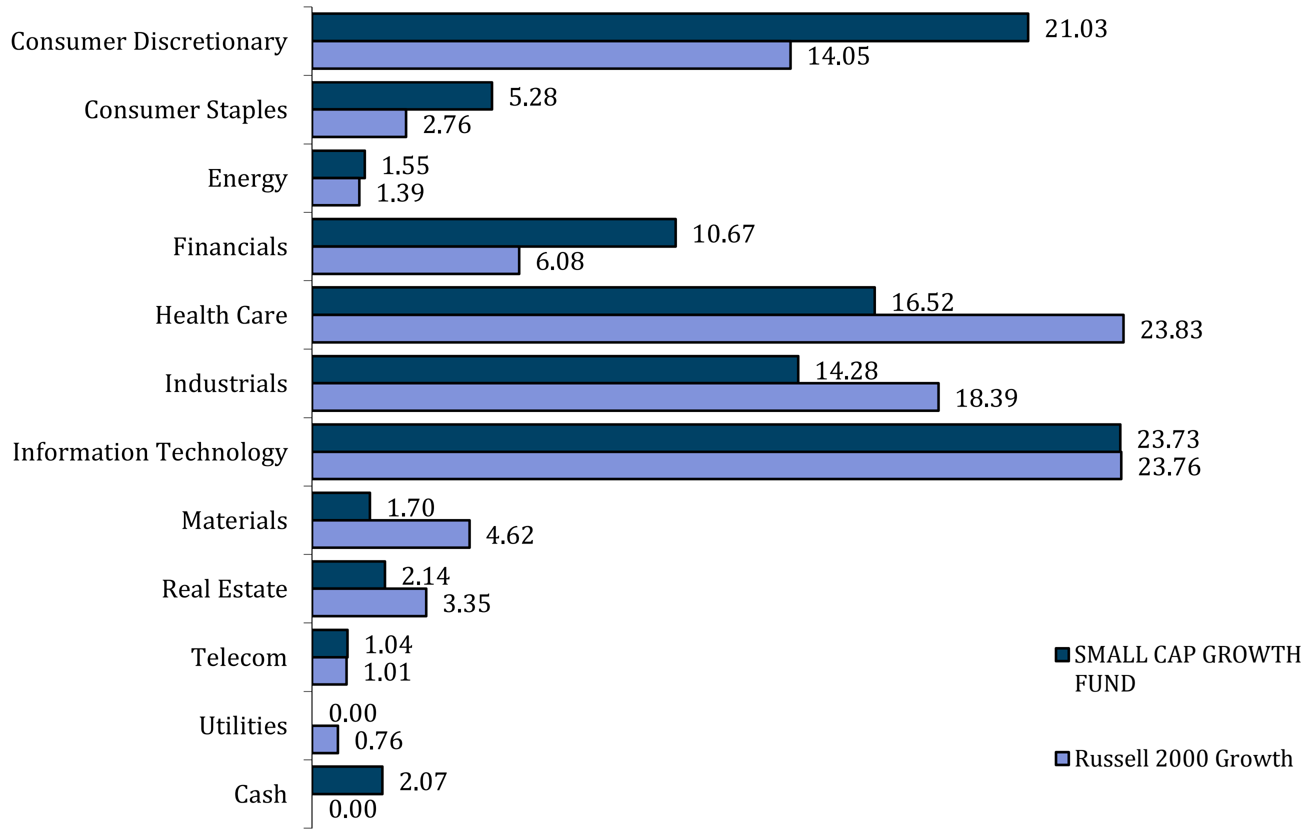
CryoLife (CRY) is a medical devices company which engages in the processing and distribution of implantable human tissues for use in cardiac and vascular surgeries. The stock unperformed after the company announced mixed financial results for the prior quarter and an acquisition of a German-based maker of stent grafts. Regarding the acquisition, the market was concerned about the ability of CryoLife to execute versus its initial projections for the acquired company. However, CryoLife's management has a strong track record of execution and we believe there are synergies and cross-sell opportunities that were gained with the acquisition. We maintained our position and believe the company has a strong management team, differentiated sales force and product pipeline which could cause growth to meaningfully accelerate over the long term.

Top 10 Holdings by Weight

	Small Cap Growth Fund % in Fund	Russell 2000 Growth % in Index
Firstcash Inc	2.40	0.05
Meta Financial Group Inc	1.99	0.01
J2 Global Inc	1.80	0.32
BWX Technologies Inc	1.78	0.00
Ligand Pharmaceuticals	1.75	0.26
Maxlinear Inc	1.74	0.15
Realpage Inc	1.68	0.24
Varonis Systems Inc	1.67	0.09
Encompass Health Corp	1.65	0.45
Codexis Inc	1.61	0.03
Total:	18.05	1.59

Source: Eagle.
References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities. William Blair may or may not own the securities referenced and, if such securities are owned, no representation is being made that such securities will continue to be held. Holdings are shown as a percentage of total gross assets.

Sector Weights as of 12/31/2017



Source: William Blair; Eagle
Based on Global Industry Classification Sectors (GICS). Concentration of assets in one or a few sectors may entail greater risk than a fully diversified stock portfolio and should be considered as only part of a diversified portfolio.

	Portfolio Weight	Benchmark Weight
CONSUMER DISCRETIONARY	**21.03**	**14.05**
Six Flags Entertainment Corp	1.59	0.00
Adtalem Global Education Inc	1.58	0.00
Golden Entertainment Inc	1.52	0.01
Lithia Motors Inc-Cl A	1.40	0.25
Boot Barn Holdings Inc	1.36	0.00
Steven Madden Ltd	1.32	0.25
Cable One Inc	1.32	0.00
Universal Electronics Inc	1.29	0.06
At Home Group Inc	1.10	0.01
Grand Canyon Education Inc	1.02	0.39
Nutrisystem Inc	0.99	0.14
Dave & Buster's Entertainmen	0.98	0.21
Hilton Grand Vacations Inc	0.98	0.00
Laureate Education Inc-A	0.89	0.00
Imax Corp	0.87	0.12
Gentherm Inc	0.85	0.08
Us Auto Parts Network Inc	0.64	0.00
Collectors Universe	0.58	0.02
Bridgepoint Education Inc	0.52	0.01
Yogaworks Inc	0.24	0.00
CONSUMER STAPLES	**5.28**	**2.76**
Nu Skin Enterprises Inc - A	1.59	0.00
Mgp Ingredients Inc	1.43	0.08
Primo Water Corp	1.19	0.03
Calavo Growers Inc	1.07	0.12
ENERGY	**1.55**	**1.39**
Callon Petroleum Co	0.66	0.00
Carrizo Oil & Gas Inc	0.63	0.15
Gulfport Energy Corp	0.25	0.00
FINANCIALS	**10.67**	**6.08**
Firstcash Inc	2.40	0.05
Meta Financial Group Inc	1.99	0.01
Bofi Holding Inc	1.48	0.07
Virtu Financial Inc-Class A	1.16	0.04

	Portfolio Weight	Benchmark Weight
FINANCIALS (Continued)		
Home Bancshares Inc	1.16	0.27
Encore Capital Group Inc	1.07	0.00
Glacier Bancorp Inc	1.06	0.05
A-Mark Precious Metals Inc	0.35	0.00
HEALTH CARE	**16.52**	**23.83**
Ligand Pharmaceuticals	1.75	0.26
Healthsouth Corp	1.65	0.45
Horizon Pharma PLC	1.45	0.00
Supernus Pharmaceuticals Inc	1.27	0.18
Repligen Corp	1.21	0.13
Cambrex Corp	1.05	0.14
Dexcom Inc	1.00	0.00
Glaukos Corp	0.99	0.07
Lhc Group Inc	0.98	0.08
U.S. Physical Therapy Inc	0.98	0.08
Cryolife Inc	0.95	0.04
Neogenomics Inc	0.91	0.05
Exact Sciences Corp	0.76	0.57
Axogen Inc	0.69	0.07
Simulations Plus Inc	0.64	0.02
Obalon Therapeutics Inc	0.27	0.00
INDUSTRIALS	**14.28**	**18.39**
Bwx Technologies Inc	1.78	0.00
Douglas Dynamics Inc	1.39	0.08
Blue Bird Corp	1.28	0.01
Armstrong World Industries	1.25	0.00
Heico Corp-Class A	1.25	0.00
Esco Technologies Inc	1.20	0.00
Mercury Systems Inc	1.17	0.20
Siteone Landscape Supply Inc	1.03	0.24
John Bean Technologies Corp	0.91	0.32
Albany Intl Corp-Cl A	0.89	0.13
Icf International Inc	0.84	0.00
Team Inc	0.74	0.02

	Portfolio Weight	Benchmark Weight
INDUSTRIALS (Continued)		
Willdan Group Inc	0.54	0.02
INFORMATION TECHNOLOGY	**23.73**	**23.76**
J2 Global Inc	1.80	0.32
Maxlinear Inc	1.74	0.15
Realpage Inc	1.68	0.24
Varonis Systems Inc	1.67	0.09
Guidewire Software Inc	1.39	0.00
Acxiom Corp	1.21	0.10
2u Inc	1.21	0.28
Inphi Corp	1.20	0.14
Maximus Inc	1.20	0.42
Cars.Com Inc	1.14	0.00
Littelfuse Inc	1.10	0.41
Nice Ltd - Spon Adr	1.08	0.00
Usa Technologies Inc	1.03	0.04
Wns Holdings Ltd-Adr	1.03	0.00
Yelp Inc	1.00	0.31
Rogers Corp	0.89	0.27
Epam Systems Inc	0.88	0.49
Etsy Inc	0.87	0.23
Csra Inc	0.85	0.00
Agilysys Inc	0.65	0.00
Liveperson Inc	0.14	0.06
MATERIALS	**1.70**	**4.62**
Codexis Inc	1.61	0.03
Orion Engineered Carbons SA	0.09	0.00
REAL ESTATE	**2.14**	**3.35**
Firstservice Corp	1.10	0.00
Colliers International Group	1.04	0.00
TELECOMMUNICATION SERVICES	**1.04**	**1.01**
Orbcomm Inc	1.04	0.06
Cash	**2.07**	**0.00**
Total	**100.00**	**100.00**

*As of **12/31/2017**.*

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.