Emerging Markets Growth Fund

William Blair

Quarterly Review

June 2018

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Risks:

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The Fund involves a high level of risk and may not be appropriate for everyone. You should only consider it for the aggressive portion of your portfolio. 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. Investing in foreign denominated and/or domiciled securities may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. The securities of emerging market companies may be subject to greater volatility and less liquidity than companies in more developed markets. Individual securities may not perform as expected or a strategy used by the Adviser may fail to produce its intended result. Currency rates may fluctuate significantly over short periods of time and may reduce the returns of a portfolio. Convertible securities may be called before intended, which may have an adverse effect on investment objectives. The Fund is expected to incur operating expenses that are higher than those of mutual funds investing exclusively in U.S. equity securities due to the higher custodial fees associated with foreign securities investments.

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.

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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

Global equity markets posted mixed results for the first half of 2018, buffeted by escalating trade tensions, the U.S. Federal Reserve's continued tightening bias and dollar strength. In contrast to the global synchronized expansion environment of 2017, equity performance in the first six months of 2018 reflected a growing divergence, with the U.S. economy, earnings and share prices maintaining positive momentum while the rest of the world rolled over.

The benign 2017 environment of low volatility and uninterrupted monthly gains abruptly reversed course in late January 2018, as worries about the extended bull market and narrowing leadership culminated in heavy selling pressure following reports that a handful of niche equity volatility-linked ETF products had suffered significant losses, stoking fears of broader risk contagion.

As the first half progressed, investors became increasingly concerned that the Trump administration's pursuit of protectionist measures would ignite a trade war with China and potentially derail the U.S. expansion. The slowing pace of economic activity in Europe combined with increased turbulence in emerging markets also weighed on investor sentiment.

U.S. equities extended their gains during the first half of 2018 and significantly outpaced non-U.S. markets, bolstered by strong corporate earnings and tax reform. From a market cap perspective, U.S. small caps outperformed their large cap counterparts by approximately 3.5% during the period, as measured by the MSCI U.S. Standard and Small Cap indices. In addition to being less exposed to trade disputes given lower overseas revenues, U.S. small caps were expected to benefit more from tax reform: according to Bloomberg, for the three years ended December 2017, S&P SmallCap 600 Index companies had an average effective tax rate 4.3% higher than that of S&P 500 Index companies.

Non-U.S. developed market equity performance was hampered by negative returns in Europe amid softening economic data and renewed political turmoil in Italy. The euro depreciated approximately 3% versus the dollar in 1H18, reflecting these concerns in addition to expectations for prolonged monetary stimulus from the European Central Bank, which announced that interest rates would remain at record lows through the summer of 2019.

Harkening back to the 2013 taper tantrum episode, emerging markets equities and currencies were hit by a significant rise in investor outflows during the first half of the year. The stronger dollar and prospect of higher U.S. interest rates had a particularly detrimental effect on countries with larger current account deficits and dollar-denominated debt, including Argentina and Turkey.

Political uncertainty and a deteriorating economic growth outlook also weighed on emerging markets returns in the first half. Brazil's nationwide truckers' strike was projected to shave a full percentage point off 2018 GDP growth, threatening the country's nascent economic recovery and further clouding the reform outlook ahead of the presidential election this fall.

Although Chinese equities held up better than most emerging market countries for the six-month period, investors became increasingly wary of escalating trade tensions as the first wave of U.S. tariffs on $34 billion of Chinese exports was scheduled to take effect on July 6.

Technology and energy were the top performing sectors on a global basis during 1H18, while telecom, financials and consumer staples underperformed. Within emerging markets, energy was the only sector in positive territory for the six-month period, benefiting from the rebound in oil prices.

Performance

Second quarter outperformance of the Emerging Markets Growth Fund (Class N) versus the MSCI Emerging Markets IMI (net) was primarily driven by positive stock selection across most sectors. Stock selection within Financials was particularly favorable, propelled by Indian holdings, especially HDFC Bank Ltd, India's largest bank by market capitalization. HDFC Bank's share price advanced on the back of continued solid operating results (consistent 20% earnings growth) and a positive growth outlook. We expect robust deposit growth and the pending capital raise to support HDFC Bank's balance sheet growth and stock performance. Healthcare also added to relative returns, bolstered by Chinese pharmaceutical holdings, especially CSPC Pharmaceutical Group. The Chinese branded generic pharmaceutical company delivered strong first quarter results that significantly exceeded consensus expectations. We expect the strong operating momentum to continue, driven by the acceleration in CSPC's innovative drug segment, new drug launches and a positive regulatory backdrop.

Partially offsetting these effects were the Energy underweighting and negative stock selection within the Industrials and Real Estate sectors. Within Industrials, Localiza Rent a Car SA weighed on relative returns. Localiza is Brazil's largest car rental company and a leading player in a fragmented market. Despite posting strong first quarter results, the stock was dragged down by broad weakness in Brazilian equities and currency depreciation during the quarter. China Vanke Co Ltd, the Chinese property developer, was a notable detractor within Real Estate. After strong operating performance in 2017 we expect earnings growth to moderate and government policy to become less supportive. We exited the position as a result.

Year to date underperformance versus the MSCI Emerging Markets IMI (net) was driven primarily by Consumer Discretionary and Energy stock selection. Within Consumer Discretionary, automobile-related names were notable detractors. The shares of Maruti Suzuki, the largest passenger car manufacturer in India, weakened after a strong rally in 2017 as deteriorating investor sentiment and softer operating performance weighed on the stock. Despite 1H18 weakness, we believe the outlook remains compelling for Maruti, supported by improving volumes and increasing first time buyers. The company has a significant advantage with its dealership reach and breadth of models. Within Energy, stock selection was a key detractor mainly due to the lack of exposure to top performing Index holdings. In addition, Petronet LNG, the dominant importer of liquefied natural gas in India, weighed on relative performance. India is expected to become increasingly dependent on imports over the next few years, as domestic sources of gas cannot keep pace with demand growth. Petronet's shares weakened during 1H18 amid concerns about medium term supply/demand fundamentals and the potential for domestic gas to take share from imported LNG.

Mitigating these negative effects was favorable stock selection within Health Care and Information Technology. Within the Health Care sector, CSPC Pharmaceutical Group, the Chinese pharmaceutical company, boosted relative returns. CSPC has evolved from manufacturing low margin bulk products to a high quality pharma company focused on branded generics. CSPC's share price strengthened amid accelerating operating performance and improving growth outlook supported by its strong pipeline and growth in innovative drugs, coupled with a favorable regulatory backdrop. Within the Information

Technology sector, Taiwanese passive components manufacturer Yageo Corp outperformed. Yageo is a beneficiary of rising demand for high-end passive components, which in turn is driven by increasing complexity in wireless communication and electronic content gains in automotive and industrial applications. Favorable industry dynamics (tight supply and strong demand in passive components) coupled with capacity expansion and recent acquisitions drove the share price higher during the first half of the year.

From a positioning perspective during the second quarter, Financials exposure was reduced through positions trims and liquidations in Grupo Financiero Galicia and China Merchants Bank. Grupo Financiero Galicia, the Argentinean bank, was sold in order to eliminate Argentina exposure after rising U.S. bond yields and the stronger dollar pressured Argentinean assets, especially the peso currency. China Merchants Bank, China's leading retail bank, was sold due to a less favorable macroeconomic and regulatory backdrop for banks. Information Technology exposure was increased during the period, through new purchases and additions in Electronic Equipment, Instruments & Components, Semiconductors and IT Services. Within IT Services, we purchased Tata Consultancy Services as we expect management's strong execution and confident growth outlook amid an improving demand backdrop in core end markets to support the company's strong operating momentum. Exposure to Healthcare also increased as a result of the purchases of Bangkok Dusit Medical Services, the largest private hospital group in Thailand, and several Chinese healthcare companies. From a geographic perspective, notable adjustments were increases to South Korea and Taiwan, offset by decreases to Brazil and South Africa.

Outlook

There is now a great deal of uncertainty about how the recently announced trade tariffs will impact intermediate term economic activity. Despite some market skepticism, global growth remains broad based and robust as we head into the second half of 2018. While global manufacturing PMIs declined from unsustainably elevated levels in February and March, the latest readings suggest that we are nearing the end of the in-cycle deceleration to levels in line with ongoing growth. Near-term economic fundamentals indicate that the current economic expansion has further to run. In times of economic expansion such as the current one, we expect companies to continue to post robust earnings growth. However, earnings growth cannot continue to accelerate at the same pace we experienced over the past several quarters, especially in the U.S., where acceleration has been quite pronounced. European corporates have also enjoyed relatively strong earnings growth, which is also likely to continue but at moderately slower rates in the near term.

While the underlying economy remains robust and economic indicators continue to signal positive momentum, escalating trade war rhetoric will likely have substantial consequences on market volatility, inflation, and growth dynamics over the coming quarters. As examples, tariffs on Canadian lumber are adding to higher costs for wood, which are fueling price increases of up to $9,000 for a new single-family home, according to the National Association of Homebuilders. Elsewhere, prices of washing machines sold in the U.S. surged by nearly 8.5% this year – the first increase since 2012 – after the U.S. administration restricted imports earlier this year.

More broadly, some U.S. companies are reportedly using the threat of new tariffs as a reason to raise prices. In short, tariffs amount to either a tax on consumption or corporate margin deterioration if firms choose to absorb some portion of cost increases. In aggregate, it worsens the tradeoff between growth and inflation, and will likely lead to tighter monetary policy. Much of this has not played out yet, because the U.S. administration has moved only recently. However, these effects will begin to manifest themselves over the coming quarters, and it is quite possible that this will bring us closer to the end of the current economic expansion cycle.

Longer term, we fear the U.S. administration's unilateral view of trade policy is suggesting an end to the decades-long building of integrated global markets and supply chains. If the U.S. chooses to limit or regulate trade however it sees fit, regardless of what agreements it may have signed in the past, trade and investment will become more volatile and more politicized. Multinationals from around the world will be more inclined to disentangle their operations from the U.S. The impact of this will only be revealed gradually over the next several years but could imply meaningful changes to competition, quality, and innovation.

From a portfolio strategy perspective, we believe emerging markets (EMs) are susceptible to further downside volatility in the second half of 2018 amid persistent dollar strength as interest rates and growth differentials continue to favor the U.S., and the Federal Reserve maintains its tightening bias. Positioning within our ACWI-oriented strategies has generally reflected our more cautious outlook, with reduced EM weightings in favor of increased developed market exposure, primarily in Europe. Within our dedicated EM strategies, we have maintained overweighted positions in China and India, and moderated exposures to Brazil and South Africa. Within China, our positioning continues to emphasize domestically-oriented consumer, healthcare and technology companies that we believe are well positioned to benefit from the economy's ongoing transition to a consumption and services-driven growth model.

		QTD	YTD	2017	2016
Regions	**AC World (DM+EM)**	0.7	-0.2	23.9	8.4
	Developed Markets (DM)	1.9	0.7	22.4	8.2
	Japan	-2.9	-1.9	25.3	3.2
	Europe ex UK	-2.8	-3.8	28.0	-0.2
	UK	2.9	-0.7	23.7	-1.6
	USA	3.8	3.1	20.6	12.0
	Emerging Markets (EM)	-8.0	-6.9	36.8	9.9
	Asia	-5.9	-5.3	41.8	4.8
	China	-3.3	-1.4	50.7	0.0
	India	-2.2	-10.1	43.7	-1.1
	Korea	-9.2	-9.2	46.0	4.2
	Taiwan	-5.7	-1.0	30.2	16.4
	EMEA	-10.8	-11.4	24.1	20.7
	Russia	-6.3	2.3	5.1	57.0
	South Africa	-12.7	-15.8	34.0	20.6
	Latin America	-17.7	-11.5	24.8	30.3
	Brazil	-26.2	-17.6	26.4	66.1
	Mexico	-3.9	-2.4	15.0	-9.3
	Frontier Markets (FM)	-13.8	-10.6	29.9	5.6
Size	**Large Cap**	-8.0	-6.8	37.7	12.5
	Small Cap	-8.6	-8.5	33.8	2.3
Sectors	**Discretionary**	-7.0	-11.5	38.6	0.3
	Staples	-6.3	-6.8	25.0	0.2
	Energy	-4.8	2.0	21.0	35.4
	Financials	-12.5	-9.2	32.7	13.3
	Healthcare	-6.5	-0.3	35.4	-9.8
	Industrials	-11.6	-12.4	25.7	-2.1
	IT	-5.0	-3.2	59.9	15.1
	Materials	-6.5	-6.4	33.5	29.7
	Real Estate	-10.5	-10.3	42.2	-1.1
	Telecom Services	-9.9	-13.2	16.8	1.9
	Utilities	-8.6	-7.2	17.5	4.9
Style	**Quality**	4.9	9.8	2.4	7.4
	Valuation	1.8	9.6	0.1	24.2
	Etrend	5.4	11.2	14.4	6.7
	Momentum	4.4	5.4	18.3	-6.1
	Growth	-1.2	0.3	9.5	-8.5
	Composite	6.2	17.6	7.9	18.3

Past performance is not a reliable indicator of future results. *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. All index returns are net of dividends. A direct investment in an unmanaged index is not possible.*

Periods ended 6/30/2018	June	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
William Blair Emerging Markets Growth Fund (WBENX) – Class N	-4.88%	-7.63%	-7.35%	10.96%	5.04%	5.76%	1.87%
William Blair Emerging Markets Growth Fund (WBEIX) – Class I	-4.89%	-7.61%	-7.21%	11.16%	5.30%	6.00%	2.13%
William Blair Emerging Markets Growth Fund (BIEMX) – Institutional Class J	-4.85%	-7.55%	-7.16%	11.31%	5.39%	6.14%	2.29%
MSCI Emerging Markets IMI (net)	-4.44%	-8.02%	-6.86%	7.90%	5.19%	4.93%	2.52%

Inception 6/6/2005

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Emerging Markets Growth Fund Expense Ratios:

	Gross
Class N Shares	1.50%
Class I Shares	1.27%
Institutional Class	1.17%

Expenses shown are as of the most recent prospectus.

A direct investment in an index is not possible. The MSCI Emerging Markets IMI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The table below shows the calculated sector attribution of the Emerging Markets Growth Fund vs. its benchmark.

Emerging Markets Growth Fund vs. MSCI Emerging Markets IMI (net)

04/01/2018 to 06/30/2018

	Emerging Markets Growth Fund			MSCI Emerging Markets IMI (net)			Attribution Analysis			
GICS Sector	**Average Weight**	**Total Return**	**Contrib to Return**	**Average Weight**	**Total Return**	**Contrib to Return**	**Allocation Effect**	**Issue Selection Effect**	**Invest Effect**	**Total Effect**
Consumer Discretionary	11.8%	-8.2%	-1.0%	10.5%	-7.0%	-0.7%	0.0%	-0.1%	0.0%	-0.1%
Consumer Staples	8.4%	-5.4%	-0.5%	6.6%	-6.3%	-0.4%	0.0%	0.1%	0.0%	0.1%
Energy	0.4%	-3.8%	0.0%	6.6%	-4.8%	-0.3%	-0.5%	0.3%	0.0%	-0.2%
Financials	29.0%	-8.9%	-2.6%	21.5%	-12.5%	-2.8%	-0.2%	0.8%	0.0%	0.6%
Health Care	5.4%	5.3%	0.1%	3.7%	-6.5%	-0.2%	0.1%	0.4%	0.0%	0.6%
Industrials	6.3%	-17.9%	-1.1%	6.4%	-11.6%	-0.7%	0.0%	-0.5%	0.0%	-0.4%
Information Technology	30.9%	-4.1%	-1.4%	26.5%	-5.0%	-1.3%	0.1%	0.2%	0.0%	0.3%
Materials	2.7%	-8.9%	-0.3%	8.1%	-6.5%	-0.5%	-0.1%	-0.1%	0.0%	-0.2%
Real Estate	2.2%	-16.4%	-0.3%	3.6%	-10.5%	-0.4%	0.1%	-0.2%	0.0%	-0.1%
Telecommunication Svcs	0.6%	-11.4%	-0.1%	4.0%	-9.9%	-0.4%	0.1%	-0.1%	0.0%	0.0%
Utilities	0.7%	1.5%	0.0%	2.6%	-8.6%	-0.2%	-0.3%	0.3%	0.0%	0.1%
Cash	1.6%	-	-0.1%	0.0%	0.0%	0.0%	0.1%	-0.1%	0.0%	0.0%
Total	100.0%	-7.3%	-7.3%	100.0%	-8.0%	-8.0%	-0.3%	1.1%	-0.1%	0.7%

Past performance does not guarantee future results. Performance cited represents past performance and current performance may be lower or higher than the data quoted. *Gross investment performance assumes reinvestment of dividends and capital gains, is gross of investment management fees and net of transaction costs. Attribution by segment is based on estimated returns of equities held within the segments listed. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among segments. Calculations are for attribution analysis only and are not intended to represent simulated performance history. The actual returns may be higher or lower. We calculate attribution using Opturo. Opturo runs transactions-based attribution, taking into account all trading activity. Interaction effect is reallocated into Allocation effect and Trade effect is reallocated into Issue Selection effect. Invest Effect is the decision to stay invested. It is meant to capture excess fund returns that are attributable to compounding effects rather than an active decision. Sectors are based on Global Industry Classification (GICS) Sectors. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk.*

The table below shows the calculated regional attribution of the Emerging Markets Growth Fund vs. its benchmark.

Emerging Markets Growth Fund vs. MSCI Emerging Markets IMI (net)

04/01/2018 to 06/30/2018

	Emerging Markets Growth Fund			MSCI Emerging Markets IMI (net)			Attribution Analysis			
Region	**Average Weight**	**Total Return**	**Contrib to Return**	**Average Weight**	**Total Return**	**Contrib to Return**	**Allocation Effect**	**Issue Selection Effect**	**Invest Effect**	**Total Effect**
EM Asia	77.3%	-3.1%	-2.6%	75.0%	-5.9%	-4.3%	0.0%	2.1%	-0.1%	2.1%
EMEA	10.7%	-15.2%	-1.8%	13.7%	-10.8%	-1.5%	0.1%	-0.7%	0.0%	-0.6%
Latin America	10.4%	-22.1%	-2.8%	11.3%	-17.7%	-2.1%	-0.1%	-0.7%	0.0%	-0.8%
Cash	1.6%	-	-0.1%	0.0%	0.0%	0.0%	0.1%	-0.1%	0.0%	0.0%
Total	100.0%	-7.3%	-7.3%	100.0%	-8.0%	-8.0%	0.1%	0.7%	-0.1%	0.7%

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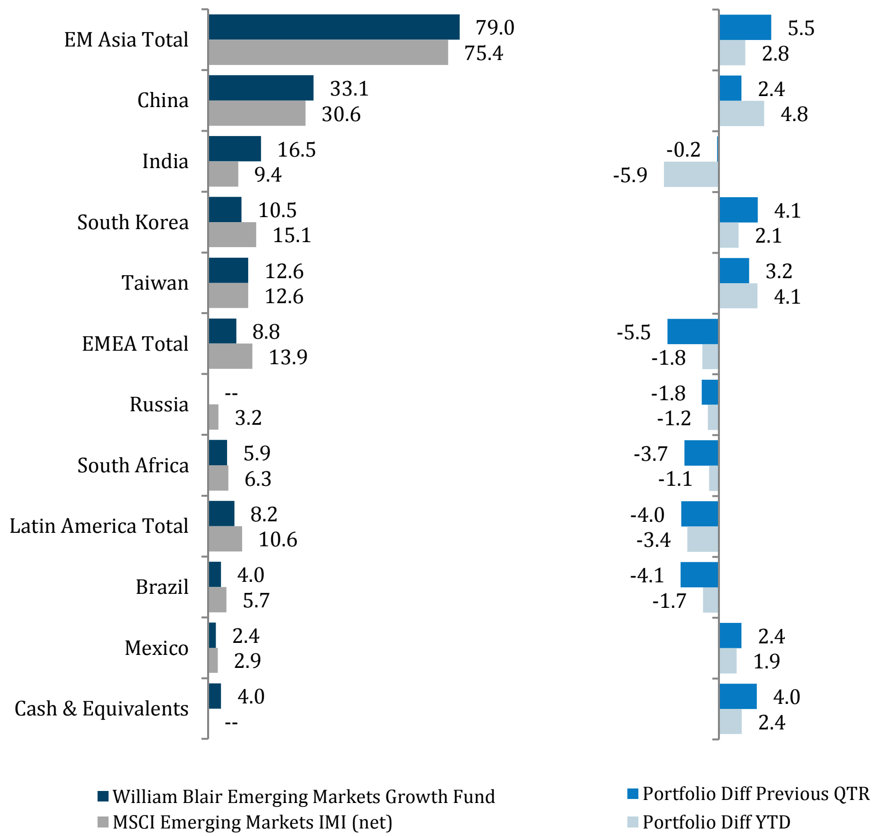
The table below shows the Emerging Markets Growth Fund's largest holdings as of 6/30/2018 by market cap. The stocks are listed by country and by the economic sector that defines each one's role in the portfolio.

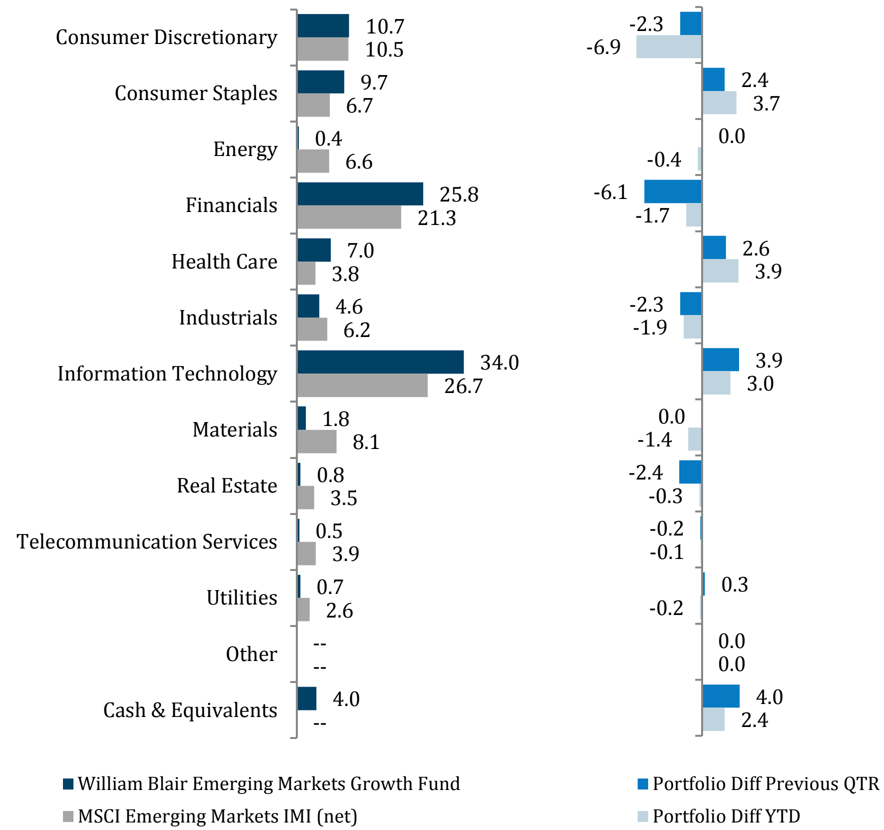
	Country	Economic Sector	% of Total Net Assets
Large Cap			
Alibaba Group Holding-Sp Adr	China	Information Technology	6.8%
Tencent Holdings Ltd	China	Information Technology	6.2%
Samsung Electronics Co Ltd	South Korea	Information Technology	3.8%
Hdfc Bank Limited	India	Financials	3.1%
Naspers Ltd-N Shs	South Africa	Consumer Discretionary	2.9%
Mid Cap			
Indusind Bank Ltd	India	Financials	1.8%
Bajaj Finance Ltd	India	Financials	1.7%
Walmart De Mexico Sab De Cv	Mexico	Consumer Staples	1.7%
Yageo Corporation	Taiwan	Information Technology	1.7%
Cspc Pharmaceutical Group Lt	China	Health Care	1.5%
Small Cap			
Globalwafers Co Ltd	Taiwan	Information Technology	1.0%
Chailease Holding Co Ltd	Taiwan	Financials	0.9%
Hiwin Technologies Corp	Taiwan	Industrials	0.8%
Orion Corp/Republic Of Korea	South Korea	Consumer Staples	0.8%
Localiza Rent A Car	Brazil	Industrials	0.8%
		Total:	**35.6%**

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. Holdings are subject to change at any time.

Regional Exposure



Sectoral Exposure



Source: William Blair.
Cash & Equivalents includes: cash and dividend accruals.

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

	Emerging Markets Growth Fund	MSCI Emerging Markets IMI (net)
Market Capitalization		
Large [>$15b]	38.9%	39.6%
Medium [$4-15b]	36.7%	27.9%
Small [<$4b]	20.4%	32.5%
Fundamental Characteristics		
Growth		
EPS, 3 year historic	22.8%	17.4%
DPS, 3 year historic	22.5%	15.8%
Reinvestment rate	17.9%	12.2%
Profitability		
ROE	23.0%	16.6%
Operating Margin	22.8%	18.9%
Valuation		
PE [Estimated EPS]	16.9 X	11.5 X
Price-to-Book Value	4.1 X	2.4 X
EV/EBITDA	14.4 X	9.4 X

Sources: Factset, Eagle.

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	**79.00**
China	**33.14**
Alibaba Group Holding-Sp Adr	6.84
Tencent Holdings Ltd	6.17
Ping An Insurance Group Co-H	1.47
Cspc Pharmaceutical Group Lt	1.47
Sunny Optical Tech	1.04
Kweichow Moutai Co Ltd-A	1.03
China International Travel-A	1.00
Huazhu Group Ltd-Adr	0.92
Sino Biopharmaceutical	0.77
Foshan Haitian Flavouring -A	0.73
Anta Sports Products Ltd	0.71
Enn Energy Holdings Ltd	0.71
Autohome Inc-Adr	0.58
Wuxi Biologics Cayman Inc	0.55
Anhui Conch Cement Co Ltd-H	0.51
Weibo Corp-Spon Adr	0.50
Jiangsu Hengrui Medicine C-A	0.49
New Oriental Educatio-Sp Adr	0.49
Shanghai International Air-A	0.48
Momo Inc-Spon Adr	0.47
Baozun Inc-Spn Adr	0.43
Tal Education Group- Adr	0.43
Gree Electric Appliances I-A	0.39
Kingdee International Sftwr	0.39
Zhejiang Supor Cookware Co-A	0.38
51job Inc-Adr	0.36
Hangzhou Hikvision Digital-A	0.35
EM Asia (continued)	
China (continued)	
Zhangzhou Pientzehuang Pha-A	0.35
Hua Hong Semiconductor Ltd	0.30
Hangzhou Tigermed Consulti-A	0.29
Huadong Medicine Co Ltd-A	0.29
Mmg Ltd	0.29
Chinasoft International Ltd	0.28
Chongqing Zhifei Biologica-A	0.27
Jiangsu Yangnong Chemical -A	0.25
Shandong Hualu Hengsheng-A	0.24
Silergy Corp	0.24
Zhejiang Weixing New Build-A	0.23
Beigene Ltd-Adr	0.21
Cifi Holdings Group Co Ltd	0.12
Shimao Property Holdings Ltd	0.11
India	**16.53**
Hdfc Bank Limited	3.11
Housing Development Finance	2.50
Indusind Bank Ltd	1.78
Bajaj Finance Ltd	1.73
Tata Consultancy Svcs Ltd	1.54
Yes Bank Ltd	1.05
Hindustan Unilever Ltd	0.82
Maruti Suzuki India Ltd	0.55
Hdfc Standard Life Insurance	0.52
Indiabulls Housing Finance L	0.50
Bajaj Finserv Ltd	0.47
Britannia Industries Ltd	0.44
EM Asia (continued)	
India (continued)	
Godrej Consumer Products Ltd	0.40
Bharat Financial Inclusion L	0.36
Havells India Ltd	0.26
Titan Co Ltd	0.26
Page Industries Ltd	0.24
Indonesia	**1.13**
Bank Rakyat Indonesia Perser	0.68
United Tractors Tbk Pt	0.39
Bank Negara Indonesia Perser	0.06
Malaysia	**0.98**
Public Bank Berhad	0.81
Top Glove Corp Bhd	0.17
South Korea	**10.48**
Samsung Electronics Co Ltd	3.82
Sk Hynix Inc	1.71
Orion Corp/Republic Of Korea	0.81
Hana Financial Group	0.78
Lg Household & Health Care	0.74
Samsung Biologics Co Ltd	0.60
Samsung Electro-Mechanics Co	0.54
Hotel Shilla Co Ltd	0.52
Korea Investment Holdings Co	0.48
Amorepacific Corp	0.41
Douzone Bizon Co Ltd	0.07
Taiwan	**12.60**
Taiwan Semiconductor-Sp Adr	2.41
Yageo Corporation	1.65

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	Portfolio Weight
EM Asia (continued)	
Taiwan (continued)	
Taiwan Semiconductor Manufac	1.61
E.Sun Financial Holding Co	1.03
Globalwafers Co Ltd	1.01
Chailease Holding Co Ltd	0.95
Hiwin Technologies Corp	0.82
Walsin Technology Corp	0.49
President Chain Store Corp	0.45
Eclat Textile Company Ltd	0.32
Silicon Motion Technol-Adr	0.30
Nanya Technology Corp	0.30
Chroma Ate Inc	0.28
Tci Co Ltd	0.27
Win Semiconductors Corp	0.25
Macronix International	0.23
Aspeed Technology Inc	0.22
Thailand	**2.71**
Cp All Pcl-Foreign	0.98
Airports Of Thailand Pcl-For	0.96
Bangkok Dusit Med Service-F	0.47
Home Product Center Pcl-For	0.30
Viet Nam	**1.42**
Vietnam Dairy Products Jsc	0.34
Vingroup Jsc	0.34
Hoa Phat Group Jsc	0.31
Vietjet Aviation Jsc	0.24
Vincom Retail Jsc	0.20

	Portfolio Weight
EMEA	**8.80**
Greece	**0.22**
Jumbo SA	0.22
Hungary	**0.87**
Otp Bank PLC	0.87
Kenya	**0.52**
Safaricom PLC	0.52
South Africa	**5.89**
Naspers Ltd-N Shs	2.93
Firstrand Ltd	0.77
Clicks Group Ltd	0.57
Capitec Bank Holdings Ltd	0.51
Sanlam Ltd	0.46
Mr Price Group Ltd	0.44
Jse Ltd	0.21
United Arab Emirates	**1.30**
Nmc Health PLC	1.03
Dp World Ltd	0.27
Latin America	**8.18**
Brazil	**3.97**
Itau Unibanco Holding S-Pref	0.94
B3 Sa-Brasil Bolsa Balcao	0.94
Localiza Rent A Car	0.76
Magazine Luiza SA	0.36
Irb Brasil Resseguros SA	0.30
Via Varejo SA	0.23
Weg SA	0.22
Iochpe-Maxion S.A.	0.21

	Portfolio Weight
Latin America (continued)	
Chile	**0.95**
Banco Santander-Chile-Adr	0.95
Mexico	**2.38**
Walmart De Mexico Sab De Cv	1.71
Grupo Financiero Banorte-O	0.67
Peru	**0.88**
Credicorp Ltd	0.88
Cash	**4.03**
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.

Glossary - Terms

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

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

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

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

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

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

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

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

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