Small Cap Growth Fund

William Blair

Quarterly Review

December 2018

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Portfolio Managers

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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.

Please carefully consider the Fund's investment objectives, risks, charges, and expenses before investing. This and other information is contained in the Fund's prospectus and summary prospectus, which you may obtain by calling +1 800 742 7272. Read the prospectus and summary prospectus carefully before investing. Investing includes the risk of loss.

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Market Overview

Substantially negative fourth quarter equity returns erased prior 2018 gains and U.S. equity indices ended the year in negative territory. Larger cap indices fared better, as the S&P 500 Index narrowly avoided bear market territory, while the Russell 2000 Index declined more than 20% from its peak.

After starting the year with a continuation of 2017 strength, the market sold off and volatility spiked amid concerns of the economy overheating, rising input costs and elevated valuations. Following the early sell off, rising equity returns for the second and third quarters were primarily driven by strong corporate earnings coupled with modest valuation expansion as investor confidence in the durability of the U.S. economic expansion increased. Investors appeared to largely dismiss concerns about an escalating trade war with China and a flattening yield curve, which has sometimes preceded an economic slowdown. Through the first three quarters of 2018, returns for U.S. growth style indices were robust and many ended the third quarter at or near all-time highs.

In a sharp reversal, driven by downdrafts in October and December, equities declined in the fourth quarter as risks that had been opaque came into focus. This was at least partially triggered by Fed Chairman Powell's comments in October that the federal funds rate was "a long way from neutral." Fundamentally, corporate earnings trends continued to be positive, supported by corporate tax cuts and a healthy U.S. economy. Companies in the S&P 500 Index, in aggregate, posted year-over-year earnings growth in excess of 25% for the third consecutive quarter. However, consensus estimates for fourth quarter and 2019 earnings growth were revised downward and valuation multiples contracted. At the same time, oil prices collapsed and the yield curve flattened further. At the core of the reversal in market sentiment was investor concern surrounding U.S. political dysfunction, unresolved trade tensions with China, monetary tightening by the Federal Reserve, softer housing market data and a weaker economic backdrop outside of the U.S. As market participants focused on these uncertainties, volatility rose and equity prices declined markedly, eliminating prior 2018 gains.

Fund Performance

During a challenging fourth quarter, The William Blair Small Cap Growth Fund (Class N) held up better than its benchmark, adding to its relative performance advantage for the full year. Outperformance for the quarter was largely the result of stock selection, with Health Care and Industrials having the largest positive impact on relative returns. Also contributing to our outperformance in Health Care was our typical underweight to Biotechnology, which lagged the broader index during the quarter. From a stock-specific standpoint, top contributors were Virtu Financial (Financials) and Adtalem Global Education (Consumer Discretionary). Virtu Financial is a leading electronic market maker and liquidity provider to the global financial marketplace. Elevated stock market volatility, which typically boosts revenue from transaction fees, and an acquisition that was viewed favorably contributed to the stock's outperformance in the quarter. Shares of global postsecondary education company Adtalem Global Education outperformed on strength in enrollment growth across its nursing and medical programs as well as in Brazil. Other notable contributors to relative returns included Nutrisystem (Consumer Discretionary), Laureate Education (Consumer Discretionary) and Horizon Pharma (Health Care). Conversely, our top stock detractors were Ligand Pharmaceuticals (Health Care) and Cambrex Corporation (Health Care). After significant outperformance through the first three quarters of the year, Ligand Pharmaceuticals underperformed along with its biotechnology peers, despite solid company fundamentals. Shares of contract manufacturer Cambrex Corp declined in part due to project delays that were outside of its control and investors' near term growth concerns given the declining need for its largest drug. Other laggards during the period were GreenSky (Information Technology), Weight

Watchers International (Consumer Discretionary) and Centennial Resource Development (Energy). Stock specific contributors and detractors for the fourth quarter are discussed in greater detail at the end of this quarterly review.

For the full year, the Fund materially outperformed its benchmark driven by strong stock selection. Positive stock selection was most pronounced in Health Care and Industrials, where in aggregate our holdings significantly outperformed their sector peers. Top individual contributors for the period were Codexis (Health Care) and Virtu Financial (Financials). Shares of protein engineering company Codexis advanced due to better-than-expected revenue growth and an announced partnership with Nestle Health Science that represents a significant revenue growth opportunity for the company. Electronic market maker Virtu Financial outperformed in part due to heightened volatility, predominantly in the first and fourth quarters, which positively impacts Virtu's transaction revenues. Other notable contributors to relative returns were Glaukos (Health Care), LivePerson (Information Technology) and Etsy (Consumer Discretionary). Conversely, top detractors for 2018 included Golden Entertainment (Consumer Discretionary) and Encore Capital Group (Financials). Following significant outperformance in 2017, Golden Entertainment, which owns and operates several casinos and a distributed gaming business, underperformed due to the company's plans for increased capital spending and results that suggested the company would be more susceptible to a downturn in Las Vegas than some investors had appreciated. Shares of debt management and recovery solutions provider Encore Capital Group declined in reaction to the company's increased commitment to the European/U.K. market and on investor concern that the collections environment could become more challenging if the economy weakens. Other detractors included Universal Electronics (Consumer Discretionary), BWX Technologies (Industrials) and GreenSky (Information Technology).

Outlook

After nearly a decade of economic and stock market expansion, investor focus appears to have shifted toward risks that could derail both. Notably, the Fed has communicated the potential for additional increases in the federal funds rate in 2019, while at the same time shrinking its balance sheet. If too aggressive, Fed action could provide a headwind to growth in 2019. Also prominent is the risk of continued political uncertainty, both in the U.S. and abroad. We closed 2018 with a partial shutdown of the Federal government, emblematic of the political "gridlock" that could continue into 2019 given the balance of power in Congress and frequent changes of key personnel within the administration. Moreover, uncertainty with respect to Chinese tariff negotiations could thwart corporate productivity in the U.S., while escalation to an all-out trade war would have significant ramifications on global growth, with potentially heighted risk for emerging economies that are highly dependent on trade.

In reflection of the above, U.S. equity market valuation multiples contracted significantly during the fourth quarter. At the same time, consensus earnings growth estimates were revised downward, likely in anticipation of a deceleration in U.S. economic growth, fading fiscal stimulus, and pressure on margins including higher interest rates, input prices and wages. That being said, positive profit growth is still expected for 2019, albeit at a more moderate pace than the strong earnings growth witnessed in the first three quarters of 2018. Presuming no material fundamental deterioration, and given the fact that both valuation multiples and growth expectations have come down, we are constructive on the U.S. equity market as we head into 2019. While volatility may persist, the reset in both valuations and investor expectations leaves the market with room for upside in the event of positive surprises on the China trade front or an eventual pause in the Fed interest rate hike cycle. We continue to focus our efforts on identifying durable businesses with sustainable growth opportunities that are

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underappreciated by the market. We believe a portfolio of companies with these characteristics will be rewarded in a variety of economic and market environments.

	Value	Core	Growth
Month to Date			
Russell 3000	-9.78	-9.31	-8.83
Russell 1000	-9.60	-9.11	-8.60
Russell Midcap	-10.50	-9.92	-9.07
Russell 2500	-11.05	-10.96	-10.85
Russell 2000	-12.09	-11.88	-11.68
Quarter to Date			
Russell 3000	-12.24	-14.30	-16.33
Russell 1000	-11.72	-13.82	-15.89
Russell Midcap	-14.95	-15.37	-15.99
Russell 2500	-17.12	-18.49	-20.08
Russell 2000	-18.67	-20.20	-21.65
Year to Date			
Russell 3000	-8.58	-5.24	-2.12
Russell 1000	-8.27	-4.78	-1.51
Russell Midcap	-12.29	-9.06	-4.75
Russell 2500	-12.36	-10.00	-7.47
Russell 2000	-12.86	-11.01	-9.31

Market Performance

- In a sharp reversal from prior 2018 gains, equities declined dramatically in the fourth quarter as risks that had previously been largely overlooked were priced in to the market.
- Fundamentally, corporate earnings trends continued to be positive, supported by corporate tax cuts and a healthy U.S. economy. However, consensus earnings growth estimates were revised downward and valuation multiples contracted dramatically.
- At the core of the market reversal was investor concern surrounding U.S. political dysfunction, unresolved trade tensions with China, monetary tightening by the Federal Reserve and a weaker economic backdrop outside of the U.S.
- **Style Performance**
- During December, growth indices narrowly outperformed value indices across the size spectrum. However, for the fourth quarter, value outperformed growth.
- Growth outperformed for the full year, with the dispersion of returns greater in large caps than in the other size segments of the market.

Market Cap Performance

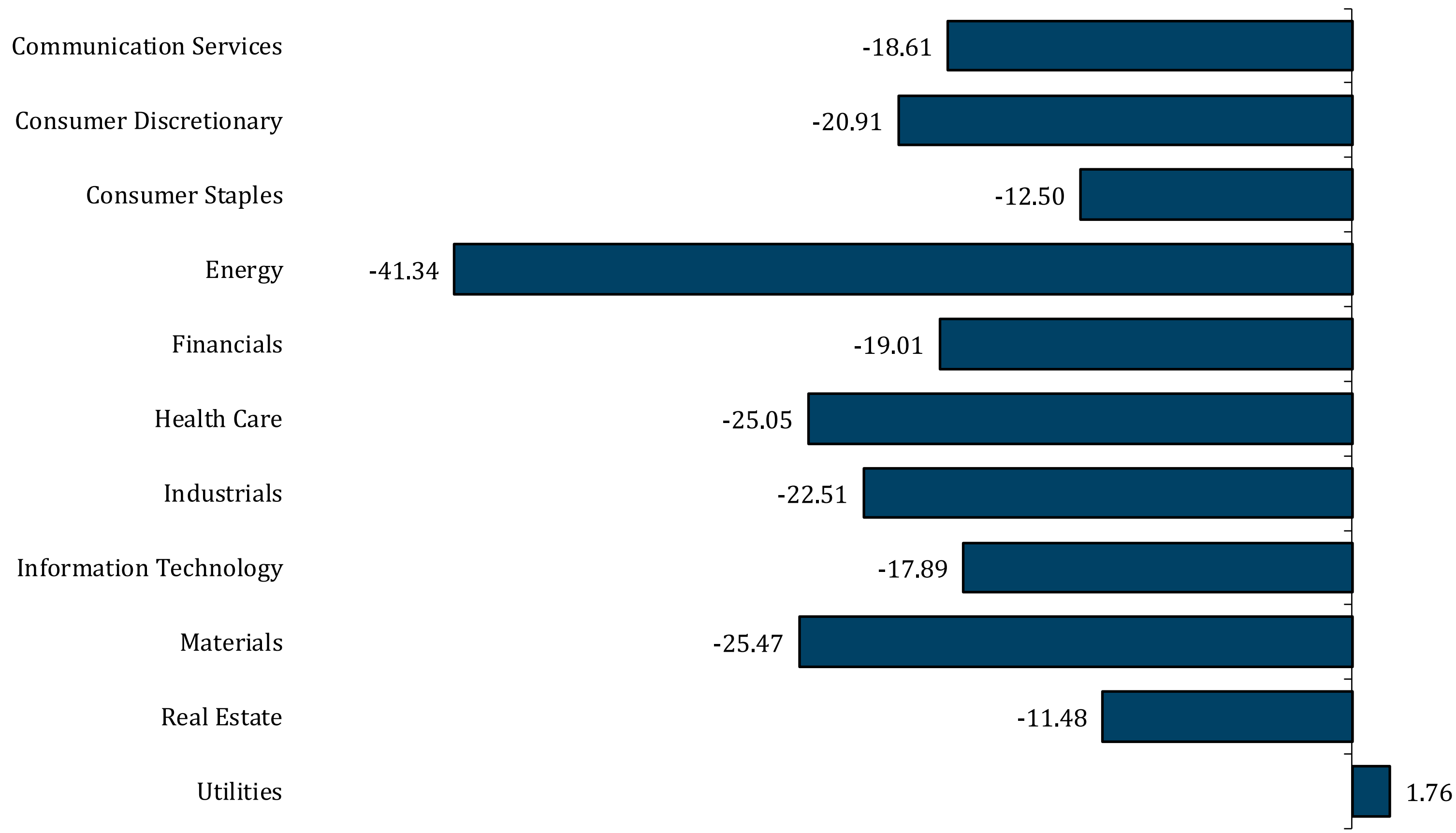
- Performance across the size spectrum was linear with large caps outperforming small caps in all time periods.

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 2018



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. Name change from Telecommunication Services to Communication Services effective after close of business on 9/28/18; industry and subindustry reclassifications effective 10/1/18.

Periods ended 12/31/2018	Quarter	1 Year	3 Year	5 Year	10 Year
Small Cap Growth Fund (WBSNX) Class N	-19.81%	-2.14%	13.81%	7.65%	16.11%
Small Cap Growth Fund (WBSIX) Class I	-19.76%	-1.88%	14.10%	7.92%	16.42%
Russell 2000 Growth	-21.65%	-9.31%	7.24%	5.13%	13.52%

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Small Cap Growth Fund Expense Ratios:

	Gross	Net
Class N Shares	1.54%	1.50%
Class I Shares	1.25%	1.25%

The Fund’s Adviser has contractually agreed to waive fees and/or reimburse expenses to limit fund operating expenses until 4/30/19.

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.

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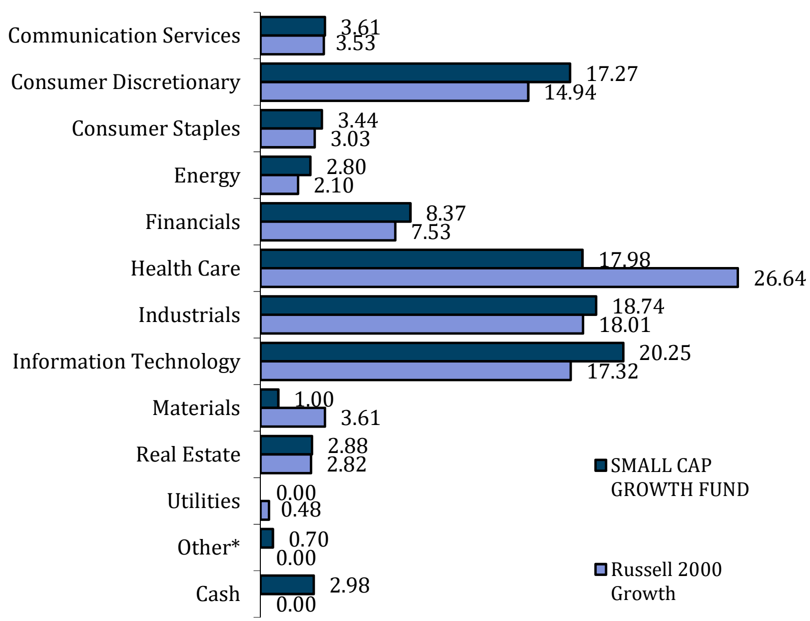
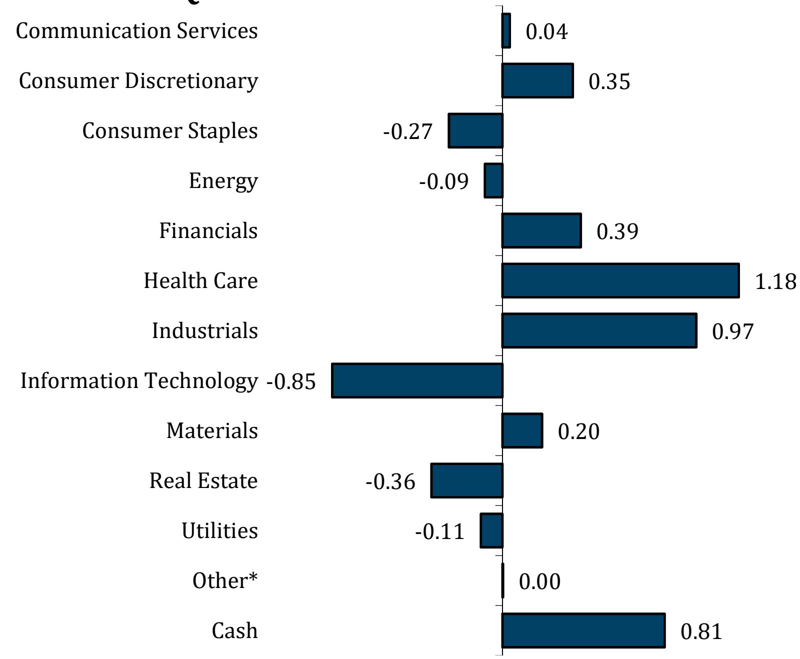
The charts below show the average sector weights and relative performance, by sector, for the Fund vs. its benchmark.

Q4 2018 Average Weights



Q4 2018 Relative Performance



**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. Name change from Telecommunication Services to Communication Services effective after close of business on 9/28/18; industry and subindustry reclassifications effective 10/1/18.*

Virtu Financial (VIRT) is a leading electronic market maker and liquidity provider to the global financial marketplace. Elevated stock market volatility and an accretive acquisition, which was viewed favorably by many investors, caused the stock to outperform in the quarter. The volatility will likely increase revenue from transaction fees for the fourth quarter and we believe Virtu's acquisition of agency broker and financial technology provider ITG will increase scale and improve the revenue stability of the company. We maintained our position and believe Virtu's scale and asset class diversification create a large barrier to entry and lower risk profile over the long term. We expect growth to be driven by expanding global capital markets, further penetration of electronic exchange trading and entry into new markets.

Adtalem Global Education (ATGE), formerly DeVry Education Group, is a global postsecondary education company offering a variety of graduate and undergraduate degree programs in healthcare, technology and business. The company's schools and professional education brands include Ross University medical and veterinary schools, Chamberlain College of Nursing and Becker Professional Review. Shares outperformed given strength in enrollment growth across its nursing and medical programs as well as in Brazil. In addition the company repurchased approximately 2% of outstanding shares. We trimmed our position on strength. We believe the company is well positioned for growth and valuation multiple expansion given its rationalized portfolio focused on health care and professional education and its opportunity for international expansion.

Nutrisystem (NTRI) is a provider of weight management products sold direct-to-consumers and through retail channels. Nutrisystem announced during the quarter that it had agreed to be acquired by Tivity Health for a premium of approximately 30% to Nutrisystem's prior share price. We liquidated our position following the announcement.

Laureate Education (LAUR) is a global network of degree-granting higher education institutions, with more than one million students enrolled worldwide. Shares outperformed in the quarter, largely driven by higher-than-expected new enrollment growth. In addition, its portfolio optimization, which includes approximately $1 billion of asset sales at compelling valuations, remains on track. We added to our position as we believe more concentration in markets where Laureate benefits from better scale and a strong brand will create a better multi-year earnings growth opportunity as well as help drive a higher valuation multiple.

Horizon Pharmaceuticals (HZNP) is a specialty biopharmaceutical company focused on drug formulations that target unmet needs in arthritis pain, inflammation and rare diseases. Shares outperformed as earnings exceeded expectations and the company continued to show solid growth of its portfolio of rare and orphan disease drugs. Given strong performance and a number of unknowns on the horizon, including Phase III FDA trial results for its teprotumamab drug and a timing change in the enactment of a mandated price cut for a portion of its drug sales, we trimmed our position on a more balanced risk/reward opportunity over the near term. Over time, we believe the company will continue to shift its portfolio of treatments to highly profitable, rare disease drugs, which will improve the durability of growth and future earnings potential of the company.

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.

Ligand Pharmaceuticals (LGND) is a biotechnology company focused on the acquisition and development of a portfolio of royalty generating assets. Like many of its biotechnology peers, Ligand underperformed in the fourth quarter. Ligand was a strong relative performer in the first three quarters of the year which, along with industry underperformance, caused the stock to lag the benchmark in the fourth quarter. We added to our position and believe that Ligand Pharmaceuticals, through its more capital-efficient, portfolio approach, is well positioned to benefit from secular growth in biopharmaceutical consumption.

Cambrex Corp (CBM) is a 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 hepatitis C products. Shares declined in the quarter, in part due to company results that were below expectations and largely impacted by project delays outside of its control. Cambrex did not issue 2019 guidance given the complexity of integrating new revenue recognition standards and the recent Halo acquisition. Later in the quarter, Cambrex announced the acquisition of Avista Pharma Solutions, an early-stage contract development and manufacturing organization (CDMO) with a small molecule orientation, further diversifying the revenue base away from Gilead and complementing the existing business. We maintained our position and continue to believe Cambrex should benefit from the secular trend towards high quality outsourced drug manufacturing driven by increased FDA scrutiny and harder to manufacture products.

GreenSky (GSKY) is a financial technology company that facilitates financing at the point of sale (POS) for retail stores. When making loans at the POS to a consumer, GreenSky receives a portion of the sale from the retailer and assumes no credit risk as GreenSky only underwrites the loan on behalf of its capital providers. The stock underperformed after the company reported slower-than-expected transaction growth and lowered forward-looking guidance. Increased earnings volatility due to customer loan preferences depressed near-term earnings and reduced our confidence in the growth thesis for the company. We sold our position in the stock as the risk/reward was no longer attractive.

Weight Watchers International (WTW) is a global wellness and weight management company focused on providing members with a supportive environment to develop a healthy and sustainable lifestyle. The company reported quarterly revenue that was lower than expected mostly due to promotional activity; the company offered one month free membership for members who refer a friend. While this weighed on short-term results, the newly referred customers have an attractive lifetime value which will help growth over the intermediate to long term. We increased our position in the stock. We believe sustained earnings growth will be driven by successful recruiting of new members, stable to improving retention of current members and a higher proportion of digital-only subscribers which will improve profitability.

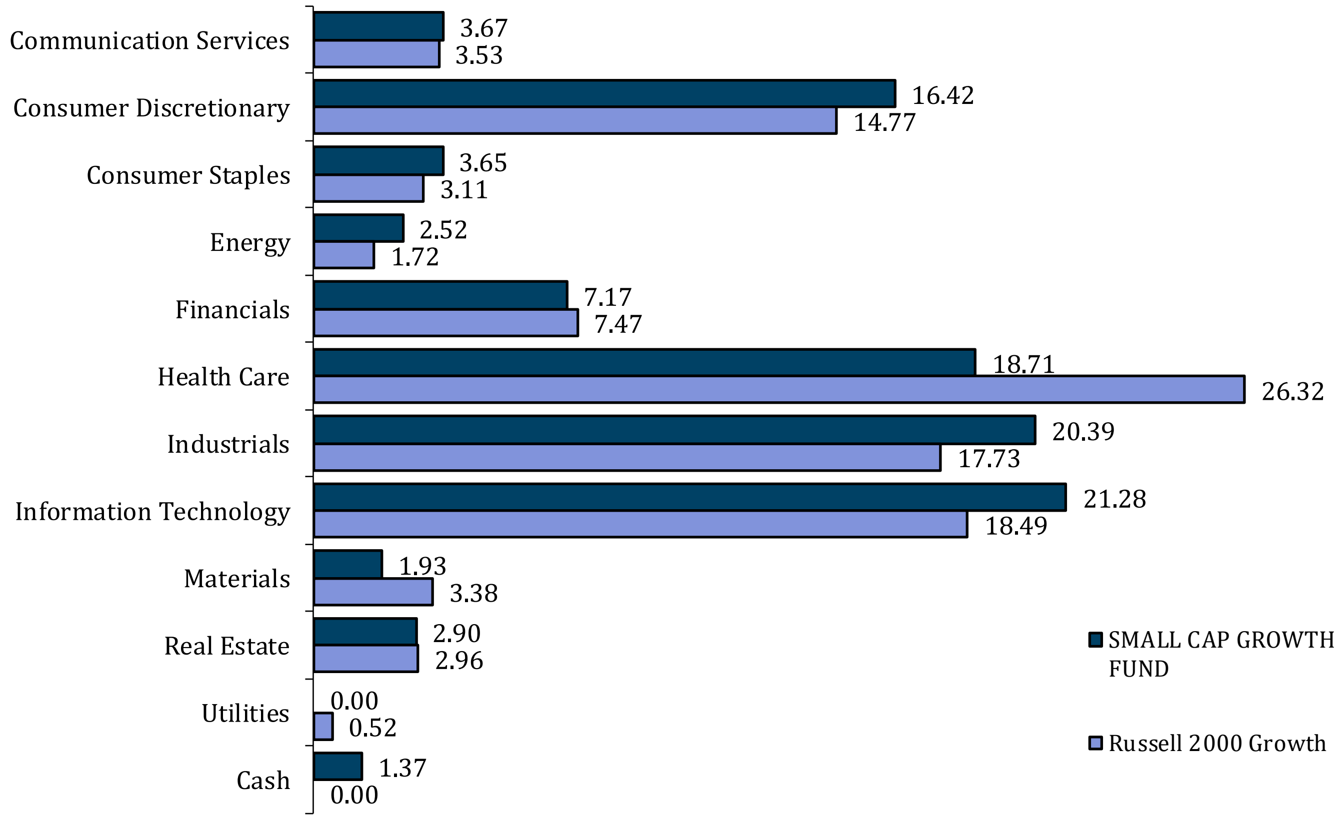
Centennial Resource Development (CDEV) is a high-quality, well-managed, and growing E&P company with a concentrated acreage position in the Texas Permian Basin. The price of West Texas Intermediate crude oil fell from over $70 per barrel at the beginning of the quarter to under $50 per barrel at the end of the quarter which put pressure on the stock. Thus, Centennial slightly decreased near-term production plans which will marginally lower growth in 2019. However, this will not materially impact the long term growth of the company and we continue to believe Centennial is an attractive risk/reward given its discount to other extraction and production oil companies with similar growth. We maintained our position.

Top 10 Holdings by Weight

	Small Cap Growth Fund % in Fund	Russell 2000 Growth % in Index
Laureate Education Inc-A	1.92	0.00
Healthcare Services Group	1.81	0.32
Brink's Co/The	1.74	0.35
Virtu Financial Inc-Class A	1.68	0.00
BWX Technologies Inc	1.65	0.00
J2 Global Inc	1.63	0.35
Euronet Worldwide Inc	1.59	0.00
Blue Bird Corp	1.52	0.01
Cable One Inc	1.52	0.00
Agilysys Inc	1.51	0.01
Total:	16.57	1.06

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 12/31/2018



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. Telecommunication Services to Communication Services effective after close of business on 9/28/18; industry and subindustry reclassifications effective 10/1/18.

	Portfolio Weight	Benchmark Weight
COMMUNICATION SERVICES	**3.67**	**3.53**
Cable One Inc	1.52	0.00
Orbcomm Inc	1.31	0.07
Cars.Com Inc	0.84	0.00
CONSUMER DISCRETIONARY	**16.42**	**14.77**
Laureate Education Inc-A	1.92	0.00
Hilton Grand Vacations Inc	1.48	0.00
Boot Barn Holdings Inc	1.41	0.05
Adtalem Global Education Inc	1.38	0.00
Grand Canyon Education Inc	1.28	0.00
Weight Watchers Intl Inc	1.12	0.15
Dave & Buster's Entertainmen	1.11	0.19
Etsy Inc	1.03	0.62
Lithia Motors Inc-Cl A	1.02	0.11
Gentherm Inc	0.97	0.00
Six Flags Entertainment Corp	0.84	0.00
Dine Brands Global Inc	0.78	0.07
At Home Group Inc	0.75	0.09
Universal Electronics Inc	0.69	0.00
Aspen Group Inc	0.65	0.00
CONSUMER STAPLES	**3.65**	**3.11**
Primo Water Corp	1.30	0.05
Nu Skin Enterprises Inc - A	1.14	0.00
Darling Ingredients Inc	0.75	0.00
Calavo Growers Inc	0.45	0.13
ENERGY	**2.52**	**1.72**
Cameco Corp	1.12	0.00
Centennial Resource Develo-A	0.62	0.00
Callon Petroleum Co	0.46	0.00
Carrizo Oil & Gas Inc	0.33	0.11
FINANCIALS	**7.17**	**7.47**
Virtu Financial Inc-Class A	1.68	0.00
Firstcash Inc	1.34	0.34
Encore Capital Group Inc	1.14	0.00

	Portfolio Weight	Benchmark Weight
FINANCIALS (continued)		
Glacier Bancorp Inc	1.04	0.06
Home Bancshares Inc	1.03	0.06
Triumph Bancorp Inc	0.80	0.08
Meta Financial Group Inc	0.13	0.06
HEALTH CARE	**18.71**	**26.32**
Ligand Pharmaceuticals	1.45	0.31
Glaukos Corp	1.43	0.21
Encompass Health Corp	1.32	0.00
Codexis Inc	1.31	0.09
Horizon Pharma PLC	1.29	0.36
Hanger Inc	1.28	0.00
Cambrex Corp	1.28	0.06
Inogen Inc	1.25	0.24
Lhc Group Inc	1.19	0.30
Catalent Inc	1.14	0.00
Portola Pharmaceuticals Inc	1.12	0.13
Intersect Ent Inc	1.07	0.09
Cryolife Inc	1.04	0.07
Inspire Medical Systems Inc	0.87	0.05
Simulations Plus Inc	0.86	0.02
Amedisys Inc	0.81	0.34
INDUSTRIALS	**20.39**	**17.73**
Healthcare Services Group	1.81	0.32
Brink's Co/The	1.74	0.35
Bwx Technologies Inc	1.65	0.00
Blue Bird Corp	1.52	0.01
Douglas Dynamics Inc	1.40	0.09
Ritchie Bros Auctioneers	1.34	0.00
Casella Waste Systems Inc-A	1.29	0.02
Albany Intl Corp-Cl A	1.19	0.20
Armstrong World Industries	1.18	0.00
Trex Company Inc	1.15	0.38
Mercury Systems Inc	1.11	0.12
Genesee & Wyoming Inc-Cl A	1.07	0.00

	Portfolio Weight	Benchmark Weight
INDUSTRIALS (continued)		
Luxfer Holdings PLC	0.99	0.00
Esco Technologies Inc	0.96	0.00
Willdan Group Inc	0.80	0.04
Siteone Landscape Supply Inc	0.75	0.24
John Bean Technologies Corp	0.44	0.25
INFORMATION TECHNOLOGY	**21.28**	**18.49**
J2 Global Inc	1.63	0.35
Euronet Worldwide Inc	1.59	0.00
Agilysys Inc	1.51	0.01
Varonis Systems Inc	1.42	0.16
Pure Storage Inc - Class A	1.33	0.00
Epam Systems Inc	1.27	0.00
Maxlinear Inc	1.22	0.12
Liveperson Inc	1.21	0.12
Guidewire Software Inc	1.19	0.00
Wns Holdings Ltd-Adr	1.04	0.00
Solarwinds Corp	1.04	0.00
2u Inc	1.02	0.00
Carbon Black Inc	1.01	0.06
Realpage Inc	1.00	0.00
Nuance Communications Inc	0.99	0.00
Nice Ltd - Spon Adr	0.98	0.00
Littelfuse Inc	0.93	0.00
Rogers Corp	0.90	0.10
MATERIALS	**1.93**	**3.38**
Orion Engineered Carbons SA	1.19	0.00
Eagle Materials Inc	0.75	0.00
REAL ESTATE	**2.90**	**2.96**
Firstservice Corp	1.06	0.00
Colliers International Group	0.93	0.00
Coresite Realty Corp	0.91	0.00
Cash	**1.37**	**0.00**
Total	**100.00**	**100.00**

*As of **12/31/2018**.*

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.