

# Global Leaders Fund

*William Blair*

Portfolio Review

March 2019

Andrew G. Flynn, CFA, Partner  
Kenneth J. McAtamney, Partner  
Portfolio Managers

**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 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. International investing involves special risk considerations, including currency fluctuations, higher volatility, lower liquidity, economic and political risk. Investing in emerging markets can increase these risks. The securities of emerging market companies may be subject to greater volatility and less liquidity than companies in more developed markets. Investing in securities of smaller companies tends to be more volatile and less liquid than securities of larger 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. Investing in smaller companies involves special risks, including higher volatility and lower liquidity. Diversification does not ensure against loss.

**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](http://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.***

Copyright © 2019 William Blair & Company, L.L.C. "William Blair" is a registered trademark of William Blair & Company, L.L.C.

Distributed by William Blair & Company, L.L.C., member FINRA/SIPC.

**Market Summary**

After a difficult end to 2018, equity markets around the world rallied to start the year despite signals of moderating global growth. The MSCI ACWI Investable Market Index (IMI) gained 12.29% in USD terms, the largest quarterly gain since 2010, as investor sentiment was bolstered by a more dovish tone out of major central banks and improved trade talks between the US and China. Developed market equities outpaced emerging markets primarily driven by strength in the U.S. and Canada.

U.S. equities rallied in January (+8.60%) and continued to post strong returns throughout the quarter (+13.99%). Growth in the U.S. remained solid but started to decelerate off of last year's previous highs. The Federal Reserve's acknowledgment of slower economic growth and dovish stance on interest rates helped ease investor sentiment and boosted returns across sectors.

European equities also advanced despite signs of significant deceleration in manufacturing growth. Specifically, purchasing manager surveys continued to point to deceleration in the pace of industrial orders growth and subsequent industrial production growth in the Euro Area. Brexit woes continued to weigh on the economic conditions within the United Kingdom but the market felt some relief following the announcement that the European Union had agreed to delay the Brexit process past the March 29 deadline. The MSCI Europe ex-UK IMI advanced 10.50% and the MSCI UK IMI advanced 12.32% in USD terms during the quarter.

Within emerging markets, the story for the quarter was the rebound in equity performance across China's mainland securities (A-shares), which advanced 33.02% for the quarter, erasing the 32.99% loss incurred in 2018 (as measured by the MSCI China A Onshore Index in USD terms). The A-share market rallied following news of several fiscal and monetary stimulus measures aimed to boost the economy. Additionally, A-shares were bolstered by news that MSCI would quadruple the weighting of A-shares in global benchmarks by increasing the

inclusion factor from 5% to 20%. Outside of China, emerging market equities broadly lagged the global benchmark. Rising geopolitical tensions between India and Pakistan weighed on the Indian Rupee and equity market. The MSCI India IMI modestly advanced +6.65% in USD terms for the quarter.

From a global sector perspective (as measured by the MSCI ACWI IMI), Information Technology significantly led the market, driven by strength within small cap software and IT services. Other cyclical sectors such as Real Estate, which sold off sharply in late 2018, rallied during the first quarter of the year. Conversely, Financials lagged primarily due to weakness in Japan.

**Performance**

First quarter outperformance of the Global Leaders Fund (Class N) versus the MSCI ACWI IMI was primarily driven by positive stock selection across most sectors. The Consumer Staples and Industrials sectors were the largest sources of relative return. Within the Consumer Staples sector, Estee Lauder and Fevertree Drinks bolstered relative performance. Estee Lauder is a leading global prestige cosmetics company with more than 30,000 points of distribution in over 150 countries across various channels, including department stores, specialty cosmetics stores, travel retail, and online. We expect the company to benefit from the rapid growth of its newer brands, the continued expansion in the specialty retail and online channels, and strong growth from China and travel retail. Fevertree, a producer of premium beverage mixers, including tonic water, ginger beer, cola and lemonade, rebounded from the sharp fourth quarter sell-off in higher multiple stocks. The company should continue to experience rapid growth due its expanding geographic presence, increased product mix, and the trend towards premium spirits.

Roper Technologies, a diversified technology company in the Industrial sector that designs software and engineered products for a variety of niche end markets, was an additional source of outperformance. The company reported better than expected fourth quarter earnings and continued to reduce leverage, leaving room for further M&A, which should help support growth in the future.

Partially offsetting these effects was an underweight allocation to the Consumer Staples sector, coupled with below average stock selection within the Materials sector. Within Materials, Nissan Chemical hurt relative results. Nissan Chemical is an innovative Japanese producer of niche chemicals for the electronics, agriculture, and pharmaceutical industries. It has a leading position in its core products and a track record of innovation supported by its commitment to high levels of research and development. The ability to post attractive (albeit slower) growth more recently in the context of challenging smartphone display market dynamics continues to show Nissan's strength. Victrex, the world's leading producer of a niche, high performance plastic, also underperformed in the quarter due to weaker automotive and electronic end-markets. Over the long-term, we believe Victrex will deliver above-average growth rates relative to its chemical peer group due to increasing demand for high performance plastics across a large and growing number of end markets.

### **Positioning**

During the period, Materials exposure was reduced through the liquidations of BHP Group and Shin-Etsu Chemical. Energy exposure was also reduced during the period. These reductions were offset primarily by increases to the Information Technology and Health Care sectors where we found several attractive long-term growth opportunities post the fourth quarter decline in equity markets, including PayPal Holdings. PayPal's dominant global two-sided payment network of approximately 250 million customers and 20 million merchants creates a superior competitive position online. It delivers quick, easy, and secure checkout for consumers, and meaningfully higher conversion rates and lower fraud risks for merchants, resulting in pricing power. The total addressable market is large and expanding, and PayPal is uniquely positioned to benefit from the powerful secular driver of ecommerce. We expect earnings to grow faster than consensus, which we believe overstates competitive threats and under-appreciates the potential upside from the monetization of its social payments platform Venmo and the potential for game-changing partnerships. From a geographic

perspective, notable adjustments were increases to Developed Europe and the U.S., offset by decreases to the U.K. and Canada. The portfolio's weighting in Emerging Markets approximated 9% at the end of the period, up modestly from 8.5% at the beginning of the period.

### **Outlook**

As we begin the second quarter of 2019, domestic demand in key jurisdictions is showing signs of stabilization and synchronized fiscal expansion. Existing home sales rebounded strongly in March in the US, and private consumption growth in the Euro Area is tracking a nearly 2% annualized pace. At the same time, purchasing manager surveys continue to point to deceleration in the pace of industrial orders growth and subsequent industrial production growth.

We regard the deceleration in economic activity in the US to be more about the base effect rather than the end of the current economic cycle. As the impact of corporate tax cuts unveiled at the beginning of 2018 dissipates, the US economy is returning to a growth rate of approximately 2%. The divergence between the US and other economies is normalizing in line with our expectations. If the rest of the world continues to grow at the current pace, the growth wedge and by extension the substantial outperformance of US markets vis-à-vis the rest of the world is likely to moderate from here.

Growth is being supported by fiscal stimulus measures globally. Starting in Europe, the Euro Area is set to experience the first fiscal expansion in a decade. In Germany, Finance Minister Olaf Scholz has set aside approximately €150bn for much needed investment in infrastructure, education, housing and digital technology over the next four years. More immediately, the fiscal stimulus slated for this year will be largely for consumer spending, as higher unemployment and pension benefits, together with a tax cut to lower income earners, is expected to boost purchasing power by 0.5% of GDP. The abolition of the solidarity surcharge, which accounts for 5.5% additional income tax, is set to be reduced beginning this year. Government

construction orders soared 12.2% in Q4 2018 from the prior quarter, and will likely advance further in 2019.

In France, President Emmanuel Macron responded to the “yellow vests” movement by announcing measures to boost the purchasing power of households by about 0.4% of GDP. These include cancellation of the increase in social charges on pensions, an increase in the activity bonus for employees paid the minimum wage, and a tax exemption on exceptional year-end bonuses and income from overtime.

In China, the government continues to roll out tax cuts following its 2-year effort to streamline and digitize tax collection. In Q1 2019, the government announced a CNY2 trn tax cut on business activity. Effective April 1, VAT in the top general category will be reduced from 16% to 13%, on top of reductions in the employer contribution to social security from 20% to 16%. Together with household income tax reform implemented last year, these measures will continue to support domestic activity. At the same time, the scope for further adjustments on the fiscal side is not exhausted, as the State Administration of Taxation continues to report an increase in aggregate tax collections in excess of expectations.

The US continues to maintain a highly expansionary fiscal policy stance. Although major corporate tax cuts boosted domestic activity in H1 2018, the US budget deficit is expected to be even larger this year, at nearly 4.5% of GDP, despite the domestic economy expanding at a 2%+ annual pace.

Within portfolios, we maintain our focus on companies with sustainable earnings trends and recurring-revenue business models that add growth visibility at this later stage of the economic cycle. Recent positioning adjustments within our ACWI-oriented strategies generally reflect our incrementally less cautious outlook on China. Within China, we continue 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	2018	2017	2016
Regions	<b>AC World (DM+EM)</b>	12.3	-10.1	23.9	8.4
	<b>Developed Markets (DM)</b>	12.6	-9.4	22.4	8.2
	Pacific ex JP	12.3	-11.2	25.9	7.8
	Japan	6.7	-13.5	25.3	3.2
	Europe ex UK	10.5	-15.7	28.0	-0.2
	UK	12.3	-15.0	23.7	-1.6
	Canada	15.2	-17.6	15.6	25.4
	USA	14.0	-5.7	20.6	12.0
	<b>Emerging Markets (EM)</b>	9.7	-15.0	36.8	9.9
	Asia	10.8	-15.9	41.8	4.8
	EMEA	5.4	-16.9	24.1	20.7
	Latin America	7.9	-7.2	24.8	30.3
	<b>Frontier Markets (FM)</b>	5.2	-16.6	29.9	5.6
Size	<b>Large Cap</b>	12.0	-8.6	23.9	8.0
	<b>Small Cap</b>	13.1	-14.4	23.8	11.6
Sectors	<b>Communication Svcs</b>	11.2	-15.9	8.2	4.9
	<b>Discretionary</b>	12.9	-10.5	25.0	2.9
	<b>Staples</b>	11.0	-10.5	18.0	2.1
	<b>Energy</b>	14.4	-15.0	5.2	28.4
	<b>Financials</b>	8.3	-15.7	23.1	11.2
	<b>Healthcare</b>	9.0	1.2	22.0	-6.7
	<b>Industrials</b>	13.4	-15.5	26.1	12.6
	<b>IT</b>	19.1	-6.1	41.0	12.3
	<b>Materials</b>	10.9	-17.3	29.3	24.4
	<b>Real Estate</b>	15.3	-7.8	16.2	4.1
<b>Utilities</b>	9.5	0.9	15.2	7.4	
Style	<b>Quality</b>	-1.6	14.7	4.3	2.5
	<b>Valuation</b>	-1.5	4.7	5.2	14.2
	<b>Etrend</b>	0.0	5.2	7.8	-1.1
	<b>Momentum</b>	-2.8	4.5	13.2	-4.5
	<b>Growth</b>	3.0	-3.8	6.7	-7.5
	<b>Composite</b>	-3.1	13.9	9.6	7.2

**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 ACWI IMI Index. Size values are based on the MSCI ACWI 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. A direct investment in an unmanaged index is not possible. 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.

<i>Periods ended 3/31/2019</i>	March	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception*
Global Leaders Fund (WGGNX) - Class N	2.16%	15.43%	2.61%	12.69%	8.02%	13.68%	--
Global Leaders Fund (WGFIX) - Class I	2.08%	15.52%	2.82%	13.00%	8.32%	13.98%	--
Global Leaders Fund (BGGIX) - Institutional Class J	2.16%	15.61%	2.90%	13.09%	8.43%	--	10.01%
MSCI ACWI IMI (net)	1.03%	12.29%	1.89%	10.58%	6.33%	12.27%	8.77%

\*Class J inception 12/19/2012  
 Class I and Class N inception 10/15/2007

**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](http://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.**

Global Leaders Fund Expense Ratios:

	<u>Gross</u>	<u>Net</u>
Class N Shares	1.43%	1.30%
Class I Shares	1.13%	1.05%
Institutional Class J	1.05%	1.00%

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. MSCI All Country World IMI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.*

The table below shows the calculated sector attribution of the Global Leaders Fund vs. its benchmark.

**Global Leaders Fund vs. MSCI ACWI IMI (net)**

**01/01/2019 to 03/31/2019**

GICS Sector	Global Leaders Fund			MSCI ACWI IMI (net)			Attribution Analysis			
	Average Weight	Total Return	Contrib to Return	Average Weight	Total Return	Contrib to Return	Allocation Effect	Issue Selection Effect	Invest Effect	Total Effect
Communication Services	6.3%	16.9%	1.0%	8.3%	11.2%	0.9%	-0.1%	0.5%	0.0%	0.4%
Consumer Discretionary	21.0%	16.2%	3.4%	10.7%	12.9%	1.4%	0.4%	0.4%	0.0%	0.8%
Consumer Staples	2.5%	30.5%	0.7%	7.8%	11.0%	0.9%	-0.9%	1.5%	0.0%	0.5%
Energy	3.1%	9.6%	0.4%	6.0%	14.4%	0.8%	0.1%	-0.3%	0.0%	-0.1%
Financials	17.1%	12.1%	2.1%	16.7%	8.3%	1.4%	0.0%	0.7%	0.0%	0.7%
Health Care	12.4%	12.4%	1.5%	11.7%	9.0%	1.1%	0.0%	0.4%	0.0%	0.4%
Industrials	15.1%	21.3%	3.0%	11.2%	13.4%	1.5%	0.3%	0.8%	0.0%	1.1%
Information Technology	15.3%	20.1%	3.0%	14.9%	19.1%	2.8%	0.1%	0.2%	0.0%	0.2%
Materials	2.9%	4.4%	0.3%	5.3%	10.9%	0.6%	0.2%	-0.4%	0.0%	-0.1%
Real Estate	1.0%	23.5%	0.2%	4.2%	15.3%	0.6%	-0.3%	0.3%	0.0%	0.0%
Utilities	1.4%	11.9%	0.2%	3.2%	9.5%	0.3%	0.0%	0.1%	0.0%	0.1%
Cash	1.9%	-	0.0%	0.0%	0.0%	0.0%	-0.3%	0.0%	0.0%	-0.3%
<b>Total</b>	<b>100.0%</b>	<b>15.9%</b>	<b>15.9%</b>	<b>100.0%</b>	<b>12.3%</b>	<b>12.3%</b>	<b>-0.6%</b>	<b>4.1%</b>	<b>0.1%</b>	<b>3.6%</b>

**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 Global Leaders Fund vs. its benchmark.

**Global Leaders Fund vs. MSCI ACWI IMI (net)**

**01/01/2019 to 03/31/2019**

Region	Global Leaders Fund			MSCI ACWI IMI (net)			Attribution Analysis			
	Average Weight	Total Return	Contrib to Return	Average Weight	Total Return	Contrib to Return	Allocation Effect	Issue Selection Effect	Invest Effect	Total Effect
Pacific Ex Japan	7.3%	14.0%	1.0%	3.8%	12.1%	0.5%	0.0%	0.1%	0.0%	0.1%
Japan	7.1%	13.3%	1.0%	7.9%	6.7%	0.5%	-0.1%	0.6%	0.0%	0.5%
Europe+ME Ex U.K.	14.1%	17.5%	2.3%	15.0%	10.8%	1.6%	-0.1%	0.9%	0.0%	0.9%
U.K.	3.9%	14.9%	0.6%	5.4%	13.1%	0.7%	0.0%	0.1%	0.0%	0.1%
W Hemisphere	1.9%	23.9%	0.5%	3.2%	15.3%	0.5%	-0.1%	0.3%	0.0%	0.1%
United States	55.1%	16.0%	8.7%	53.1%	13.9%	7.3%	0.1%	1.1%	0.0%	1.2%
EM Asia	8.7%	20.0%	1.7%	8.5%	10.7%	0.9%	0.0%	0.8%	0.0%	0.8%
EMEA	0.0%	0.0%	0.0%	1.7%	5.3%	0.1%	0.1%	0.0%	0.0%	0.1%
Latin America	0.0%	0.0%	0.0%	1.5%	9.3%	0.1%	0.1%	0.0%	0.0%	0.1%
Cash	1.9%	-	0.0%	0.0%	0.0%	0.0%	-0.3%	0.0%	0.0%	-0.3%
<b>Total</b>	<b>100.0%</b>	<b>15.9%</b>	<b>15.9%</b>	<b>100.0%</b>	<b>12.3%</b>	<b>12.3%</b>	<b>-0.3%</b>	<b>3.8%</b>	<b>0.1%</b>	<b>3.6%</b>

**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. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk.

The tables below show the top contributors and detractors for the Global Leaders Fund vs. its benchmark.

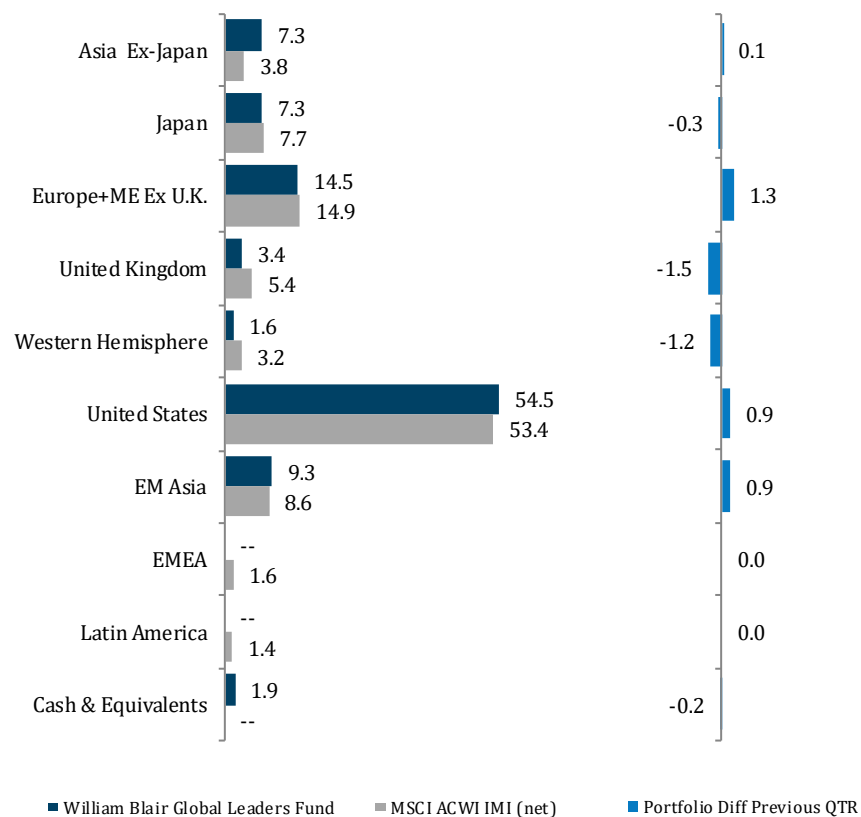
Top Five Contributors (%) for the Period: 01/01/2019 to 03/31/2019			
Issuer	Sector	Country	Contribution To Relative Return
Worldpay Inc	Information Technology	United States	0.55
Ulta Beauty Inc	Consumer Discretionary	United States	0.33
Alibaba Group Holding Ltd	Consumer Discretionary	China	0.32
Estee Lauder Cos Inc/The	Consumer Staples	United States	0.28
Roper Technologies Inc	Industrials	United States	0.23

Top Five Detractors (%) for the Period: 01/01/2019 to 03/31/2019			
Issuer	Sector	Country	Contribution To Relative Return
Weight Watchers International	Consumer Discretionary	United States	-0.33
UnitedHealth Group Inc	Health Care	United States	-0.26
Intercontinental Exchange Inc	Financials	United States	-0.18
ABIOMED Inc	Health Care	United States	-0.17
Nissan Chemical Corp	Materials	Japan	-0.17

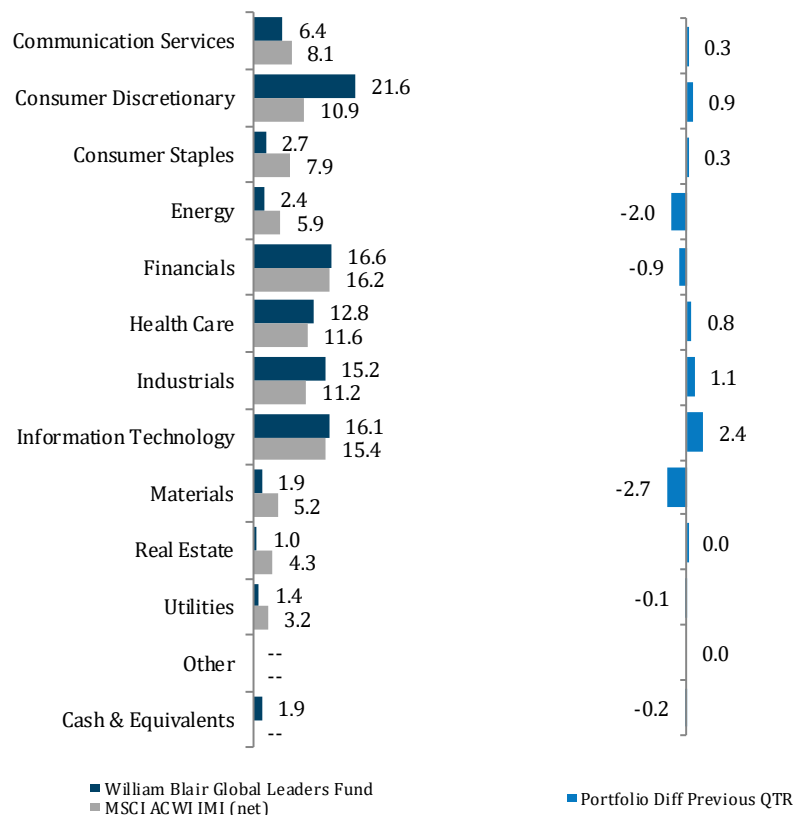
Index: MSCI ACWI IMI (net)

**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. Performance results will be reduced by the fees incurred. Attribution by is based on estimated returns of all equities held during a measurement period, including purchases and sales. We calculate attribution using Opturo. Opturo runs transactions-based attribution, taking into account all trading activity. Sectors are based on Global Industry Classification (GICS) Sectors. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. Specific securities identified and described do not represent all of the securities purchased, sold, or recommended and you should not assume that investments in the securities identified were or will be profitable.

**Regional Exposure**



**Sectoral Exposure**



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

The table below shows the Global Leaders Fund's largest holdings as of 3/31/2019 by market cap as well as the sub-totals by market cap for the portfolio and index. The stocks are listed by country and by the sector that defines each one's role in the portfolio.

	Country	Sector	% of Total Net Assets in Portfolio	% of Total Net Assets in Index*
<b>Large Cap(&gt;\$15b)</b>			<b>81.0%</b>	<b>67.2%</b>
Alphabet Inc	United States	Communication Services	3.0%	1.4%
Amazon.com Inc	United States	Consumer Discretionary	2.9%	1.4%
Alibaba Group Holding Ltd	China	Consumer Discretionary	2.5%	0.5%
UnitedHealth Group Inc	United States	Health Care	2.3%	0.5%
Mastercard Inc	United States	Information Technology	2.3%	0.4%
<b>Mid Cap(\$4-15b)</b>			<b>16.0%</b>	<b>19.1%</b>
Hexagon AB	Sweden	Information Technology	1.5%	0.0%
Partners Group Holding AG	Switzerland	Financials	1.5%	0.0%
Galaxy Entertainment Group Ltd	Hong Kong	Consumer Discretionary	1.4%	0.0%
Vail Resorts Inc	United States	Consumer Discretionary	1.2%	0.0%
Domino's Pizza Inc	United States	Consumer Discretionary	1.2%	0.0%
<b>Small Cap(&lt;\$4b)</b>			<b>3.1%</b>	<b>13.6%</b>
Nihon M&A Center Inc	Japan	Industrials	0.8%	0.0%
ZOZO Inc	Japan	Consumer Discretionary	0.8%	0.0%
Fevertree Drinks PLC	United Kingdom	Consumer Staples	0.7%	0.0%
Victrex PLC	United Kingdom	Materials	0.5%	0.0%
Weight Watchers International	United States	Consumer Discretionary	0.3%	0.0%

\*Index: MSCI ACWI IMI (net)

Market cap calculations are based on the free float adjusted market cap and exclude cash equivalents. Sectors are based on Global Industry Classification (GICS) Sectors. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. Specific securities identified and described do not represent all of the securities purchased, sold, or recommended and you should not assume that investments in the securities identified were or will be profitable.

## Top Portfolio Changes During the Period: 01/01/2019 to 03/31/2019

	Security Name	Country	Sector
Purchases	Paypal Holdings Inc	United States	Information Technology
	Smc Corp	Japan	Industrials
	Idexx Laboratories Inc	United States	Health Care
	Veeva Systems Inc-Class A	United States	Health Care
Liquidations	Bhp Group Plc	United Kingdom	Materials
	Suncor Energy Inc	Canada	Energy
	Shin-Etsu Chemical Co Ltd	Japan	Materials
	Pioneer Natural Resources Co	United States	Energy

Sectors are based on Global Industry Classification (GICS) Sectors. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. Specific securities identified and described do not represent all of the securities purchased, sold, or recommended and you should not assume that investments in the securities identified were or will be profitable.

	Global Leaders Fund	MSCI ACWI IMI (net)	Difference
<b>Quality</b>			
Return on Equity (%)	21.1	17.2	23%
Cash Flow ROIC (%)	21.1	16.4	28%
Debt/Equity (%)	63.4	91.6	-31%
<b>Growth</b>			
Long-Term Growth (%)*	14.9	12.4	20%
5-Year Historic EPS Growth (%)	21.8	12.9	70%
Reinvestment Rate (%)	22.4	14.3	57%
<b>Earnings Trend</b>			
EPS Revision Breadth	0.0	-2.7	2.8
<b>Valuation</b>			
P/E (next 12 months)	21.0	15.1	40%
<b>Other</b>			
Float Adjusted Weighted Average Market Cap (\$m)	110,611	110,405	0%
Number of Holdings	76	8,674	
Active Share	88	--	

*The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Calculated in FactSet, with the exception of market cap and active share, which are calculated in Eagle.*

*\*This measure represents the weighted average of forecasted growth in earnings expected to be experienced by stocks within the portfolio over the next 3-5 years. This projected earnings growth should not be considered an indication of future performance. From a portfolio perspective, the portfolio P/E ratio and EPS Growth Rate are weighted averages of the individual holdings' P/E ratios and EPS Growth Rates.*

	Country	Portfolio Weight		Country	Portfolio Weight		Country	Portfolio Weight
<b>COMMUNICATION SERVICES</b>		<b>6.41</b>	<b>FINANCIALS (continued)</b>			<b>INDUSTRIALS (continued)</b>		
Alphabet Inc-Cl A	United States	2.91	Macquarie Group Ltd	Australia	1.63	Costar Group Inc	United States	0.89
Tencent Holdings Ltd	China	1.80	Brookfield Asset Manage-Cl A	Canada	1.62	Atlas Copco Ab-A Shs	Sweden	0.88
Facebook Inc-Class A	United States	1.70	Intercontinental Exchange In	United States	1.58	Allegion PLC	Ireland	0.85
<b>CONSUMER DISCRETIONARY</b>		<b>21.60</b>	Hdfc Bank Ltd-Adr	India	1.51	Nihon M&A Center Inc	Japan	0.83
Amazon.Com Inc	United States	2.89	Partners Group Holding AG	Switzerland	1.50	Smc Corp	Japan	0.65
Alibaba Group Holding-Sp Adr	China	2.47	Goldman Sachs Group Inc	United States	1.00	Southwest Airlines Co	United States	0.53
Home Depot Inc	United States	1.87	Orix Corp	Japan	0.99	Misumi Group Inc	Japan	0.42
Lvmh Moet Hennessy Louis Vui	France	1.87	Fifth Third Bancorp	United States	0.88	<b>INFORMATION TECHNOLOGY</b>		<b>16.06</b>
Compass Group PLC	United Kingdom	1.73	Burford Capital Ltd	United Kingdom	0.48	Mastercard Inc - A	United States	2.26
Ulta Beauty Inc	United States	1.45	<b>HEALTH CARE</b>		<b>12.79</b>	Taiwan Semiconductor-Sp Adr	Taiwan	2.02
Galaxy Entertainment Group L	Hong Kong	1.40	Unitedhealth Group Inc	United States	2.27	Worldpay Inc-Class A	United States	1.81
Carnival Corp	United States	1.25	Thermo Fisher Scientific Inc	United States	1.70	Keyence Corp	Japan	1.76
Vail Resorts Inc	United States	1.21	Csl Ltd	Australia	1.66	Adobe Inc	United States	1.75
Domino's Pizza Inc	United States	1.20	Zoetis Inc	United States	1.53	Salesforce.Com Inc	United States	1.71
Aptiv PLC	Ireland	1.07	Lonza Group Ag-Reg	Switzerland	1.45	Paypal Holdings Inc	United States	1.64
Shenzhou International Group	China	0.80	Intuitive Surgical Inc	United States	0.93	Hexagon Ab-B Shs	Sweden	1.50
Zozo Inc	Japan	0.77	Illumina Inc	United States	0.67	Infineon Technologies AG	Germany	1.07
Huazhu Group Ltd-Adr	China	0.76	Abiomed Inc	United States	0.57	Guidewire Software Inc	United States	0.54
Aristocrat Leisure Ltd	Australia	0.59	Veeva Systems Inc-Class A	United States	0.55	<b>MATERIALS</b>		<b>1.92</b>
Weight Watchers Intl Inc	United States	0.26	Align Technology Inc	United States	0.55	Chr Hansen Holding A/S	Denmark	0.97
<b>CONSUMER STAPLES</b>		<b>2.72</b>	Idexx Laboratories Inc	United States	0.52	Victrex PLC	United Kingdom	0.52
Estee Lauder Companies-Cl A	United States	2.07	M3 Inc	Japan	0.40	Nissan Chemical Corp	Japan	0.44
Fevertree Drinks PLC	United Kingdom	0.65	<b>INDUSTRIALS</b>		<b>15.18</b>	<b>REAL ESTATE</b>		<b>0.98</b>
<b>ENERGY</b>		<b>2.43</b>	Union Pacific Corp	United States	2.09	Prologis Inc	United States	0.98
Royal Dutch Shell Plc-A Shs	Netherlands	1.35	Raytheon Company	United States	1.77	<b>UTILITIES</b>		<b>1.43</b>
Eog Resources Inc	United States	1.08	Roper Technologies Inc	United States	1.64	Nextera Energy Inc	United States	1.43
<b>FINANCIALS</b>		<b>16.58</b>	Boeing Co/The	United States	1.52	<b>Cash</b>		<b>1.91</b>
Aia Group Ltd	Hong Kong	2.05	Daikin Industries Ltd	Japan	1.08	<b>Total</b>		<b>100.00</b>
Blackrock Inc	United States	1.67	Mtu Aero Engines AG	Germany	1.05			
Jpmorgan Chase & Co	United States	1.67	Dsv A/S	Denmark	0.97			

As of 3/31/2019. Information about the Fund's holdings should not be considered investment advice. There is no guarantee that the Fund will continue to hold any one particular security or stay in any one particular sector. Holdings are subject to change at any time. Cash includes cash equivalents and accruals.

# Glossary - Terms

**1 Month EPS Revision Breadth:** 1-month factor representing the trend in the direction of estimate changes. Range from -100% to +100%, it is calculated as the number of positive revisions minus the number of negative revisions divided by the total number of estimates.

**Active Share:** A measure of the percentage of equity holdings in a portfolio that differ from the benchmark index. It is calculated by taking the sum of the absolute value of the differences of the weight of each holding in a portfolio versus the weight of each holding in the index and dividing by two.

**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.

**Cash Flow Return on Invested Capital (ROIC):** A measure of how effectively a company generates cash flow based on legacy capital investment.

**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.

**EPS Growth Rate - 5-Year Historic:** The weighted average earnings per share growth for stock within the portfolio over the past 5 years.

**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.



# Glossary - Terms

**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.