

Small-Mid Cap Core Fund

William Blair

Quarterly Review

September 2022

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Risks:

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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 and mid cap domestic growth companies where the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. Individual securities may not perform as expected or a strategy used by the Adviser may fail to produce its intended result. Investing in small and medium capitalization companies involves special risks, including higher volatility and lower liquidity. Small and mid-cap stocks are also more sensitive to purchase/sale transactions and changes in the issuer's financial condition. Convertible securities may be called before intended, which may have an adverse effect on investment objectives. Diversification does not ensure against loss. The Fund is not intended to be a complete investment program. The Fund is designed for long-term investors.

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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 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

Most U.S. equity indices declined in the third quarter, marking the third consecutive quarter of negative returns. During the first half of the year, the market was largely dominated by elevated inflation and monetary tightening by the Federal Open Market Committee (FOMC) which broadly pressured equity valuations. During March, the FOMC implemented the first increase of the target federal funds rate in this cycle. With record-high gasoline prices, elevated mortgage rates, lower asset prices and higher food costs, consumer sentiment weakened, as did other economic data points, such as U.S. manufacturing PMIs and housing-related indicators. At the same time, the labor market and corporate earnings remained resilient.

The third quarter began with an equity market rally fueled by optimism that inflation would moderate, requiring fewer rate increases by the Fed. This sentiment faded mid-quarter after the Fed reiterated its priority was to tame inflation, potentially at the expense of economic growth, and equities fell back into negative territory to end the quarter. Correspondingly, 10-year U.S. Treasury bond yields rose and the U.S. dollar continued to strengthen. Supply chain pressure began to ease, providing welcomed deflationary tailwinds to food and transportation costs. U.S. corporate earnings broadly held up well in the quarter, while forward-looking guidance generally reflected considerable uncertainty and consensus estimates began to decline.

Fund Performance

The Small-Mid Cap Core Fund (Class I) performed approximately in line with the Russell 2500 benchmark in

the third quarter. Relative performance was driven by a combination of style factors and stock-specific dynamics. From a style perspective, our typical underweight to companies without earnings, which outperformed, was a headwind. Even in a quarter with negative absolute benchmark returns, non-earners generally outperformed companies with earnings. From a stock perspective, selection in Energy, including holdings Cameco and Denbury, added value. Denbury, an E&P company using CO₂ injection to produce oil, advanced as the U.S. Congress approved a bill that will increase the tax credit for carbon capture and storage, and speculation around a possible takeover of the company. Other top contributors included Industrials holdings Stem, Inc., WillScot Mobile and Axon Enterprise. Stem, Inc., an AI-driven energy storage solutions provider, reported strong booking and pipeline growth during the quarter. Our top individual detractors included Mercury Systems (Industrials), Spectrum Brands (Consumer Staples) and Euronet Worldwide (Information Technology). Mercury Systems, a provider of sensor processing subsystems, reported contract timing and supply chain challenges that weighed on results. Stock selection in Health Care, including our positions in Owens & Minor and Azenta, was also a detractor. Owens & Minor is a manufacturer and distributor of disposable healthcare supplies that experienced lower than expected elective volumes. Stock specific contributors and detractors for the third quarter are discussed in greater detail at the end of this quarterly review.

The portfolio modestly trailed its benchmark in the year-to-date period, driven by a combination of style factors and stock-specific dynamics. From a style perspective, our typical underweight to companies without earnings was a modest tailwind. Notably, among companies with earnings,

there was minimal performance differentiation on quality factors, which did not provide their typical down-market benefit. From a stock-specific perspective, our top individual detractors included Kornit Digital (Industrials), Trex Company (Industrials), Coupa Software (Information Technology) and Owens & Minor (Health Care). Shares of Trex, the industry leader in composite residential decking, were pressured due to lower-than-expected revenue for the second half of 2022 due to excess inventory and slowing demand. Stock selection in Consumer Discretionary, including our position in Burlington Stores, also detracted from relative returns as the company experienced a slowdown in traffic relative to a challenged inventory position. Our top contributors in the period included New Fortress Energy (Energy), Cameco (Energy), CF Industries (Materials), LPL Financial (Financials) and Acadia Healthcare (Health Care). New Fortress Energy develops, finances and constructs liquified natural gas (LNG) assets and relative infrastructure. The company continued to progress its floating liquified natural gas (FLNG) business and benefited from a positive backdrop for new contract activity.

Outlook

While the pace of inflation has moderated, it remains above the Fed's target level and further interest rate increases are anticipated. Some areas of the economy, such as housing, already appear to be responding to tightening, but the full economic effects of rate hikes have likely yet to be felt. Rising interest rates, elevated inventories paired with softening demand, and a relatively strong U.S. dollar are likely to create a more challenging environment for corporate earnings as we look forward. In addition,

difficult comparisons relative to prior year's growth persist into 2023.

We continue to expect that investors will begin to reward quality attributes, such as the durability of margins and earnings, which have not yet provided a considerable benefit year-to-date. We remain focused on identifying durable businesses whose stocks present attractive risk/reward opportunities, which we believe are well-suited to withstand market turbulence and add-value in client portfolios over the long term.

	Value	Core	Growth
Month to Date			
Russell 3000	-8.86	-9.27	-9.68
Russell 1000	-8.77	-9.25	-9.72
Russell Midcap	-9.70	-9.27	-8.49
Russell 2500	-10.11	-9.53	-8.61
Russell 2000	-10.19	-9.58	-9.00
Quarter to Date			
Russell 3000	-5.56	-4.46	-3.37
Russell 1000	-5.62	-4.61	-3.60
Russell Midcap	-4.93	-3.44	-0.65
Russell 2500	-4.50	-2.82	-0.12
Russell 2000	-4.61	-2.19	0.24
Year to Date			
Russell 3000	-17.97	-24.62	-30.57
Russell 1000	-17.75	-24.59	-30.66
Russell Midcap	-20.36	-24.27	-31.45
Russell 2500	-20.41	-24.01	-29.54
Russell 2000	-21.12	-25.10	-29.28

Source: FactSet; Eagle

Past Performance is not a guarantee of future results. A direct investment in an index is not possible.

The Russell 3000 Index measures the performance of the all-cap segment of the U.S. equity universe. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell Midcap Index measures the performance of the mid cap segment of the U.S. equity universe. It includes approximately 800 of the smallest securities in the Russell 1000 Index based on a combination of their market cap and current index membership. The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe. It includes approximately 2500 of the smallest securities in the Russell 3000 Index based on a combination of their market cap and current index membership. The Russell 2000 Index measures the performance of the small cap segment of the U.S. equity universe. It includes approximately 2000 of the smallest securities in the Russell 3000 Index based on a combination of their market cap and current index membership. Core returns represent the Total Return indices. The value segments of these indices include companies with lower price-to-book ratios and lower forecasted growth values. The growth segments of these indices include companies with higher price-to-book ratios and higher forecasted growth values. Please refer to the 'Important Disclosures' section of this document for further information.

Market Performance

- A majority of U.S. equity indices continued their decline during the third quarter, marking the third consecutive quarter of negative returns year-to-date in 2022.
- The Fed reiterated its priority was to tame inflation, potentially at the expense of economic growth.
- Supply chain pressure began to ease, providing welcomed deflationary tailwinds to energy, food and transportation costs.
- U.S. corporate earnings broadly held up well in the quarter, while forward-looking guidance generally reflected considerable uncertainty.

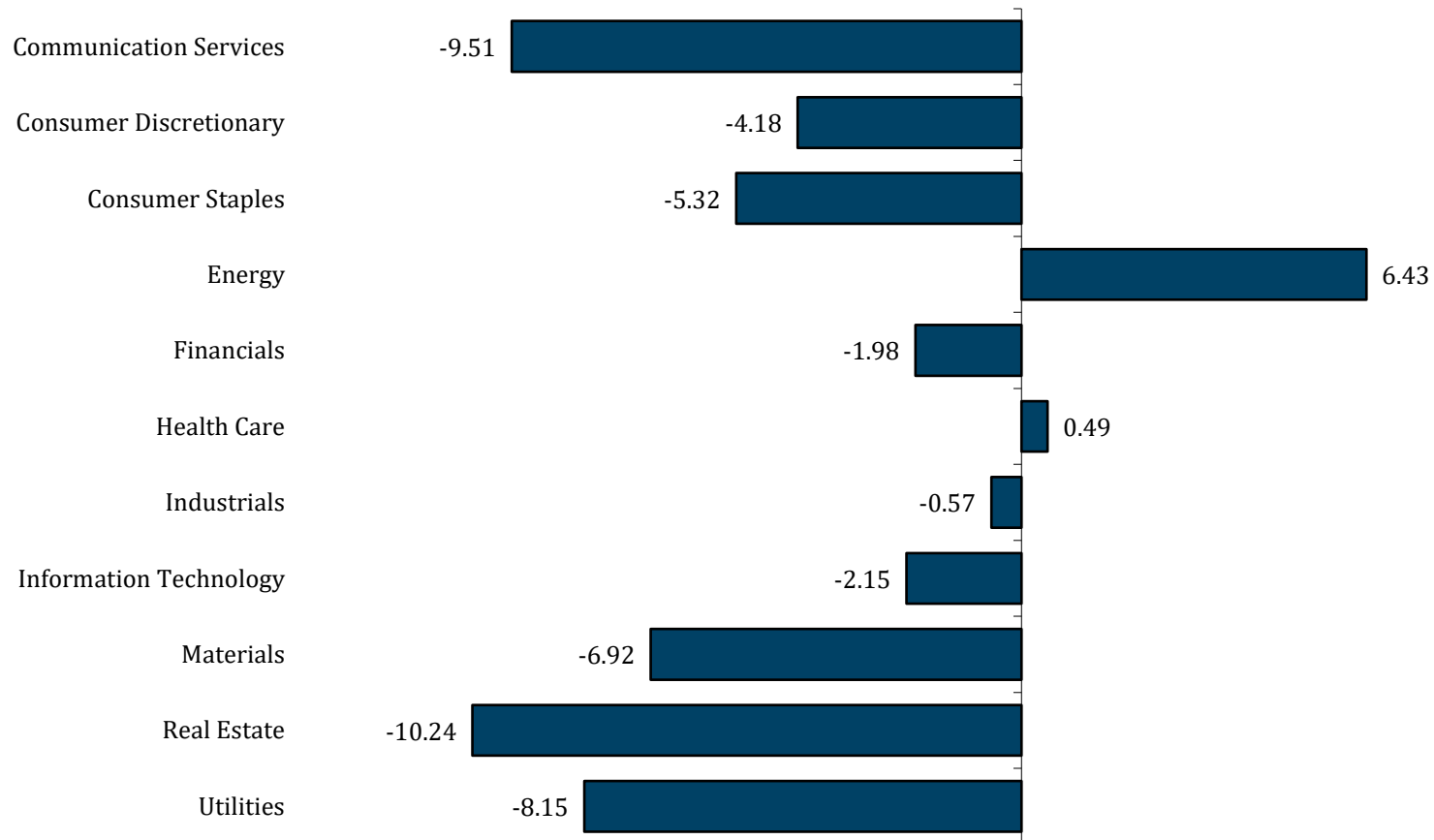
Style Performance

- During the third quarter, growth indices outperformed value indices across the size spectrum while in September, value outperformed growth in large cap and growth outperformed value in mid and small caps.
- Over the year-to-date period, value indices outperformed growth indices across the size spectrum.

Market Cap Performance

- Among value indices, small caps outperformed large caps in the third quarter while large caps outperformed small caps in the year-to-date period and September.
- Among growth indices, small caps outperformed large caps in the third quarter while there was modest performance dispersion across the capitalization spectrum over the year-to date period and September.

**Russell 2500 Total Return
Q3 2022**



Data calculated in our proprietary attribution system. Past returns are no guarantee of future performance. The Russell 2500 Total 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. Based on Global Industry Classification Standard (GICS) Sectors. Please refer to the 'Important Disclosures' section of this document for further information.

Periods ended 9/30/2022	Quarter	YTD	1 Year	3 Year	Since Inception*
Small-Mid Cap Core Fund (WBCIX) - Class I	-2.90%	-24.03%	-17.73%	7.43%	7.43%
Small-Mid Cap Core Fund (WBCRX) - Class R6	-2.82%	-23.96%	-17.60%	7.49%	7.49%
Russell 2500 Total	-2.82%	-24.01%	-21.11%	5.36%	5.35%

*Class I & R6 Inception Date: 10/1/2019

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.

Small-Mid Cap Core Fund Expense Ratios:

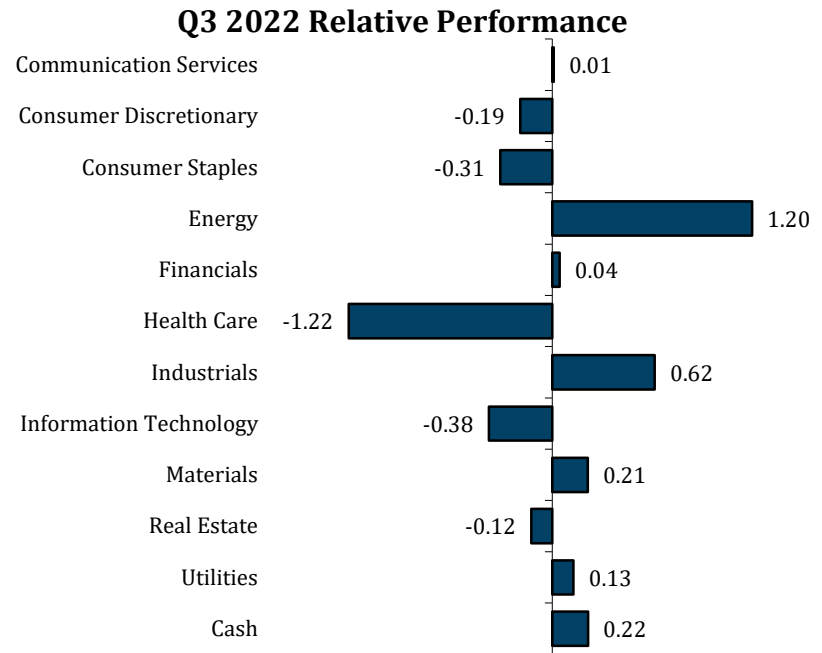
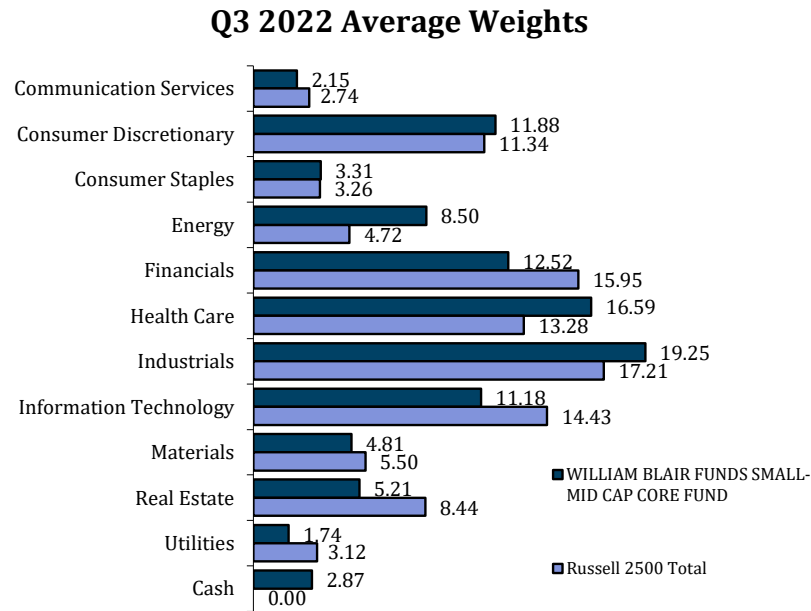
	Gross	Net
Class I Shares	1.25%	0.95%
Class R6 Shares	1.16%	0.90%

Expenses shown are as of the most recent prospectus. The Fund’s Adviser has contractually agreed to waive fees and/or reimburse expenses to limit fund operating expenses until 4/30/23.

A direct investment in an index is not possible. The Russell 2500 Total 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.

Please refer to the ‘Important Disclosures’ section of this document for further information.

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



Source: Proprietary attribution system.

Past returns are no guarantee of future results. Based on Global Industry Classification Standard (GICS) Sectors. 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. Please refer to the 'Important Disclosures' section of this document for further information.

Cameco (CCJ) is a company focused on the mining, trading, and processing of uranium, a key input into nuclear power generation. During the quarter, the company reported strong pricing and momentum in new contract activity as the fundamental backdrop continued to improve and Cameco demonstrated supply discipline, contracting patience and operational flexibility. Shares also benefited from an optimistic outlook for the uranium industry given growing, durable demand and significant underinvestment in production capacity. We trimmed our position on an incrementally less attractive risk/reward but remain constructive given our outlook for a price recovery from current unsustainable levels and subsequent volumes coming back online for Cameco.

Denbury (DEN) is an E&P company focused on using CO₂ injection, often called tertiary or enhanced recovery, to produce oil in both the Rocky Mountains and Gulf Coast regions. Because Denbury is increasingly sourcing CO₂ from industrial companies that would otherwise be emitting it into the atmosphere if not captured, a rising portion of its oil production is actually negative net carbon to the overall environment. Shares advanced during the quarter as the U.S. Congress approved a bill that will increase the tax credit for carbon capture and storage (CCUS), which is likely to incentivize companies to capture and store emissions, providing a tailwind for Denbury's CCUS business. In addition, speculation around a possible takeout of the company supported the stock. We maintained our position and continue to believe Denbury is well positioned in the growing tertiary recovery industry given its existing carbon infrastructure, strong balance sheet and excellent operating history.

Stem, Inc. (STEM) is an AI-driven energy storage solutions provider that utilizes its proprietary Athena software as a service (SaaS) offering. The Athena system takes in approximately 700,000 data points per second to predict power prices and forecast energy consumption patterns to optimize the energy storage system. The company helps business and utilities increase the return on their energy storage investments and achieve carbon emission reductions and power stability. The company reported positive earnings results during the quarter, driven by strong booking and pipeline growth. Additionally, the stock benefitted from a more supportive backdrop for solar projects as the U.S. Congress announced a bill that would provide \$369 billion for climate and clean energy provisions. Following outsized stock performance in the quarter, we liquidated our position in favor of more attractive opportunities elsewhere in the portfolio.

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.

Mercury Systems (MRCY) is a provider of sensor processing subsystems. In the quarter, Mercury continued to experience supply chain pressure and order pushouts, which resulted in revenue that was below expectations. While pressures are likely to persist in the near term, we maintained our position as we continue to expect the company to grow sustainably over the long-term, driven by a long runway for outsourcing and acquisition opportunities.

Owens & Minor (OMI) is a manufacturer and distributor of disposable healthcare supplies, such as personal protective equipment (PPE), to hospitals and in-home healthcare providers. The company reported earnings results in line with expectations but lowered full year guidance due to lower-than-expected elective volumes, higher inflation and higher interest expense. The company anticipated the coming quarter to be challenged for PPE as it reverts to normal seasonality. We added to the position and continue to believe the stock is undervalued given a higher quality management team and improvements in business mix, which should help drive higher growth and margins over the long-term.

Spectrum Brands (SPB) manufactures and markets a large variety of consumable and replacement cycle household products. Shares lagged due to supply chain and inflationary pressures, as well as a pushout in timing of the planned divestiture of its hardware and home improvement business to residential door hardware manufacturer, ASSA ABLOY. Importantly, the Department of Justice filed an antitrust lawsuit late in the quarter in an attempt to block the divestiture, reducing our confidence in our thesis due to uncertainty around the company's ability to focus on higher-margin categories should the acquisition fall through. We liquidated our position on a less attractive risk/reward on a forward-looking basis.

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Top 10 Holdings by Weight		
	Small-Mid Cap Core Fund	Russell 2500 Total
	<u>% in Fund</u>	<u>% in Index</u>
Cameco Corp	2.31	0.00
BWX Technologies Inc	2.29	0.09
Merit Medical Systems Inc	2.14	0.06
Casella Waste Systems Inc-A	2.12	0.08
Owens & Minor Inc	1.99	0.04
Chart Industries Inc	1.97	0.14
Builders Firstsource Inc	1.94	0.18
Willscot Mobile Mini Holding	1.94	0.17
Western Alliance Bancorp	1.93	0.14
Axon Enterprise Inc	1.93	0.16
Total:	20.56	1.06

Source: Eagle.

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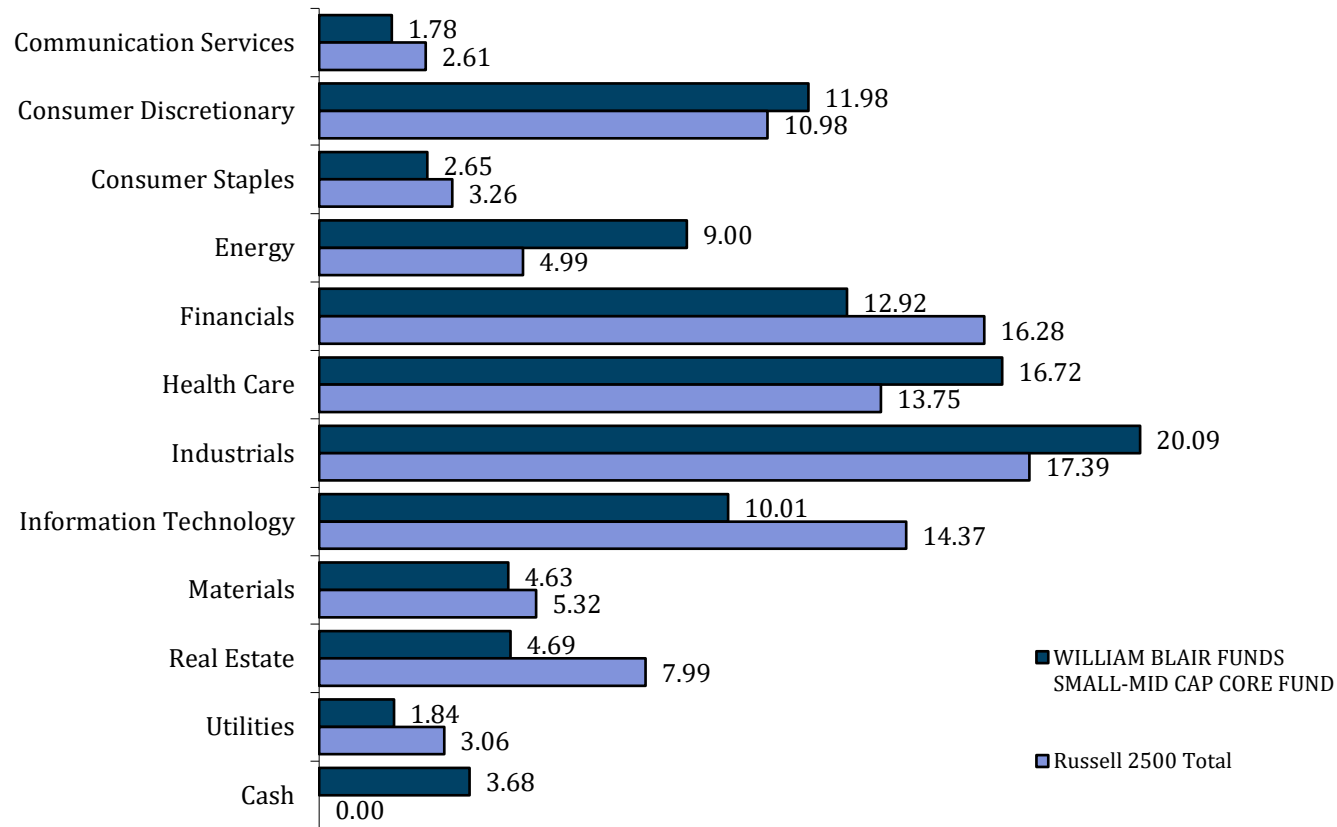
Please refer to the 'Important Disclosures' section of this document for further information.

	Small-Mid Cap Core Fund	Russell 2500 Total
Quality		
Return on Investment Capital	9.9%	6.1%
Free Cash Flow Margin	9.3%	7.4%
Debt to Total Capital Ratio	45.8%	43.8%
Growth		
EPS Growth Rate (3 Years)	19.3%	17.5%
EPS Growth Rate (5 Years)	21.1%	16.1%
Valuation		
P/E Ratio (1-year forecast)	14.6x	14.4x
Capitalization (\$B)		
Weighted Average Market Cap	\$6.3	\$5.6
Weighted Median Market Cap	\$5.0	\$4.8
Portfolio Positions		
Number of Securities	85	2,471

Characteristics have been calculated by William Blair.

Please refer to the 'Important Disclosures' section of this document for further information on investment risks and returns.

Sector Weights as of 9/30/2022



Source: William Blair; Eagle

Based on Global Industry Classification Standard (GICS) Sectors. 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.

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	Portfolio Weight	Benchmark Weight		Portfolio Weight	Benchmark Weight		Portfolio Weight	Benchmark Weight
COMMUNICATION SERVICES	1.78	2.61	FINANCIALS (continued)			INDUSTRIALS (continued)		
Ziprecruiter Inc-A	0.68	0.03	Hannon Armstrong Sustainable	0.96	0.05	Douglas Dynamics Inc	0.51	0.01
Cable One Inc	0.57	0.10	Pacwest Bancorp	0.93	0.05	INFORMATION TECHNOLOGY	10.01	14.37
Live Nation Entertainment In	0.53	0.00	Ares Management Corp - A	0.93	0.00	Verra Mobility Corp	1.77	0.04
CONSUMER DISCRETIONARY	11.98	10.98	Hanover Insurance Group Inc/	0.77	0.09	Solaredge Technologies Inc	1.14	0.00
National Vision Holdings Inc	1.73	0.05	HEALTH CARE	16.72	13.75	Euronet Worldwide Inc	1.11	0.07
Pool Corp	1.26	0.25	Merit Medical Systems Inc	2.14	0.06	Nice Ltd - Spon Adr	0.96	0.00
Aramark	1.26	0.15	Owens & Minor Inc	1.99	0.04	Entegris Inc	0.94	0.25
Grand Canyon Education Inc	1.18	0.05	Acadia Healthcare Co Inc	1.87	0.14	Alarm.Com Holdings Inc	0.87	0.06
Burlington Stores Inc	1.04	0.00	Chemed Corp	1.57	0.13	Dynatrace Inc	0.85	0.14
Skyline Champion Corp	1.00	0.06	Encompass Health Corp	1.25	0.09	Coupa Software Inc	0.77	0.09
Wyndham Hotels & Resorts Inc	0.98	0.11	Globus Medical Inc - A	1.08	0.09	Mks Instruments Inc	0.56	0.10
Leslie's Inc	0.89	0.05	Halozyme Therapeutics Inc	1.00	0.11	Pure Storage Inc - Class A	0.56	0.16
Fox Factory Holding Corp	0.72	0.07	Penumbra Inc	0.91	0.14	Wolfspeed Inc	0.47	0.24
Revolve Group Inc	0.56	0.02	Steris PLC	0.87	0.00	MATERIALS	4.63	5.32
Boot Barn Holdings Inc	0.51	0.03	Repligen Corp	0.87	0.21	Cf Industries Holdings Inc	1.31	0.00
Bright Horizons Family Solut	0.48	0.07	Certara Inc	0.68	0.03	Crown Holdings Inc	1.31	0.19
Signet Jewelers Ltd	0.38	0.05	Ligand Pharmaceuticals	0.64	0.03	Sylvamo Corp	1.16	0.02
CONSUMER STAPLES	2.65	3.26	Azenta Inc	0.62	0.06	Eagle Materials Inc	0.85	0.08
Inter Parfums Inc	1.02	0.03	Allscripts Healthcare Soluti	0.61	0.03	REAL ESTATE	4.69	7.99
Performance Food Group Co	0.96	0.13	Horizon Therapeutics PLC	0.60	0.00	Healthcare Realty Trust Inc	1.71	0.16
Primo Water Corp	0.66	0.04	INDUSTRIALS	20.09	17.39	Equity Lifestyle Properties	1.30	0.23
ENERGY	9.00	4.99	Bwx Technologies Inc	2.29	0.09	Americold Realty Trust Inc	1.14	0.13
Cameco Corp	2.31	0.00	Casella Waste Systems Inc-A	2.12	0.08	Pebblebrook Hotel Trust	0.55	0.04
Denbury Inc	1.59	0.09	Chart Industries Inc	1.97	0.14	UTILITIES	1.84	3.06
Technipfmc PLC	1.56	0.00	Builders Firstsource Inc	1.94	0.18	Idacorp Inc	1.84	0.10
Whitecap Resources Inc	1.42	0.00	Willscot Mobile Mini Holding	1.94	0.17	Cash	3.68	0.00
New Fortress Energy Inc	1.19	0.04	Axon Enterprise Inc	1.93	0.16	Total	100.00	100.00
Green Plains Inc	0.94	0.03	Mercury Systems Inc	1.30	0.05			
FINANCIALS	12.92	16.28	Brink's Co/The	1.24	0.05			
Western Alliance Bancorp	1.93	0.14	Energy Recovery Inc	1.21	0.02			
East West Bancorp Inc	1.73	0.19	Shoals Technologies Group -A	1.02	0.05			
Virtu Financial Inc-Class A	1.62	0.04	Trex Company Inc	0.78	0.10			
Lpl Financial Holdings Inc	1.61	0.35	Acv Auctions Inc-A	0.69	0.02			
Wintrust Financial Corp	1.35	0.10	Agco Corp	0.62	0.12			
Columbia Banking System Inc	1.10	0.05	Lincoln Electric Holdings	0.53	0.14			

As of 9/30/2022.

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Glossary - Terms

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.

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.

Glossary - Terms

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.