Large Cap Growth Fund

William Blair

Quarterly Review

June 2023

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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'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 large 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. Different investment styles tend to shift in and out of favor depending on market conditions and investor sentiment, and at times when the investment style used by the Adviser for the Fund is out of favor, the Fund may underperform other equity funds that use different investment styles. The Fund is non-diversified, meaning that it is permitted to invest a larger percentage of its assets in fewer issuers than diversified funds. Thus, the Fund may be more susceptible to adverse developments affecting any single issuer. 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 and Class R6 shares are available only to investors who meet certain eligibility requirements.

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

Investing includes the risk of loss. Please carefully consider the Fund's investment objective, risks, charges, and expenses before investing. This and other information is contained in the Fund's prospectus 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

The U.S. equity market showed resilience throughout the first half of 2023, reflected in the positive performance across U.S. equity indices, albeit with a wide range of performance across style and size dimensions. Despite investors' concerns regarding regional bank failures and higher interest rates, positive developments such as robust jobs growth and moderating inflation provided a strong counterbalance for the market.

During the first quarter, moderating inflation and strong employment data provided optimism for a soft landing. The Federal Open Market Committee (FOMC) increased the target Federal Funds Rate by 25 basis points in both February and March. In March, the market experienced a decline due to the collapse of Silicon Valley Bank and concerns surrounding smaller banks. This led to a rally in U.S. Government bonds as investors questioned the stability of smaller banks and anticipated a potential pause in Federal Reserve (Fed) tightening. Despite these challenges, the job market remained resilient, with notable employment gains in leisure, hospitality, retail trade, and healthcare, somewhat offset by employment declines in information technology.

U.S. equities continued their advance in the second quarter as the likelihood of further bank failures appeared to diminish and the economy displayed modest growth. The revised Q1 Gross Domestic Product (GDP) figures revealed a year-over-year expansion of 2.0%, surpassing the previous estimate of 1.3% growth. In May, the Consumer Price Index (CPI) showed a year-over-year increase of +4.0%, underscoring ongoing inflationary pressures, albeit coming in lower than the multi-decade peak of +9.1% reported in June of 2022. The FOMC raised interest rates by 25 basis points in May, bringing the Federal Funds Rate to a target range of 5.00%-5.25%, the highest level since August 2007.

Fund Performance

The Large Cap Growth Fund (Class N) lagged the Russell 1000 Growth Index in the second quarter. Relative performance was primarily driven by stock-specific dynamics, which was amplified as performance of the index was dominated by a small number of growth companies with large weights, particularly those perceived to be beneficiaries of Generative AI whose stocks have appreciated primarily on valuation multiple expansion. Stock selection in Information Technology, including our underweight to NVIDIA, our position in Adobe and not owning Apple, detracted from relative performance. Shares of fabless semiconductor company NVIDIA advanced as artificial intelligence applications were used more broadly and demand is expected to continue to accelerate. While we established a position in the stock during the quarter, our current underweight as we build our position was a detractor from relative performance. In the case of Apple, shareholders have benefited from share buybacks and valuation multiple expansion despite year-over-year declines in earnings, resulting in a risk/reward profile we view to be less attractive than other Information Technology holdings. Other laggards included Estee Lauder (Consumer Staples), PayPal (Financials) and Nike (Consumer Discretionary). A slower-than-expected recovery in travel retail post-COVID, particularly in Asia, weighed on shares of Estee Lauder, a leader in the prestige beauty market. Conversely, our top individual contributors included CoStar Group (Industrials), Palo Alto Networks (Information Technology), Amazon (Consumer Discretionary), Copart (Industrials) and Chipotle Mexican Grill (Consumer Discretionary). CoStar Group provides information, marketing and analytic services to the real estate industry. The company reported results that exceeded expectations, driven by favorable pricing and volume trends, as well as strong margin flow through. Palo Alto Networks, a leading network security company, benefited from strong demand in a challenging security spend environment. Stock specific contributors and detractors for the second quarter are discussed in greater detail at the end of this quarterly review.

The Fund lagged the Russell 1000 Growth Index in the year-to-date period, primarily driven by stock-specific dynamics. Similar to the second quarter, performance of the index was dominated by a small number of growth companies with large weights, particularly those perceived to be beneficiaries of Generative AI whose stocks have appreciated primarily on valuation multiple expansion. The largest source of underperformance as compared to our benchmark came from our underweight to NVIDIA and not owning Apple (Information Technology), for the reasons outlined above, as well as not owning Tesla (Consumer Discretionary). As it relates to Tesla, while decelerating sales and price cuts have negatively impacted earnings expectations, the stock appreciated in the year-to-date period primarily on speculation that Tesla is well positioned be a beneficiary of Generative AI. Within the portfolio, our top detractors for the period included UnitedHealth (Health Care), Estee Lauder (Consumer Staples), Mastercard (Financials) and PayPal (Financials). UnitedHealth Group provides health care coverage, software and data consultancy services. Shares were pressured due to valuation multiple compression early in the new year, as well as indications that an increase in elective surgeries could push expenses higher than previously expected. In terms of positives, our top individual contributors included Palo Alto Networks (Information Technology), Copart (Industrials), Salesforce (Information Technology), Advanced Micro Devices (Information Technology) and Chipotle (Consumer Discretionary). Shares of Palo Alto Networks advanced for the reasons outlined above. Copart, the leading online auction platform for salvage vehicles, reported strong revenues and volume growth.

Outlook

As we enter the second half of the year, there is potential for the Fed's rate-hiking cycle to exert a slowing effect on economic growth. While the pace of inflation has moderated, it remains above the Fed's target level, indicating the possibility of additional interest rate increases. Although the full impact of rate increases over the past 18 months has yet to be felt, there are already noticeable effects as lending conditions tighten for businesses, consumers, and real estate developers. Despite these potential headwinds, the current backdrop of a slowly expanding economy, robust consumer spending on areas such as travel and leisure, and new job growth offers support for equity investors.

Looking ahead, companies with strong balance sheets, durable business models, sustainable cash flow, and the ability to self-fund growth are likely to be uniquely positioned as the economic landscape unfolds. We believe our philosophy of identifying durable businesses whose stocks present attractive risk/reward opportunities should serve us well in a variety of economic environments, as it has historically.

	Value	Core	Growth
Month to Date			
Russell 3000	6.72	6.83	6.91
Russell 1000	6.64	6.75	6.84
Russell Midcap	8.67	8.34	7.73
Russell 2500	8.89	8.52	7.89
Russell 2000	7.94	8.13	8.29
Quarter to Date			
Russell 3000	4.03	8.39	12.47
Russell 1000	4.07	8.58	12.81
Russell Midcap	3.86	4.76	6.23
Russell 2500	4.37	5.22	6.41
Russell 2000	3.18	5.21	7.05
Year to Date			
Russell 3000	4.98	16.17	28.05
Russell 1000	5.12	16.68	29.02
Russell Midcap	5.23	9.01	15.94
Russell 2500	5.83	8.79	13.38
Russell 2000	2.50	8.09	13.55

Market Performance

- U.S. equities advanced in the second quarter as the economy displayed modest growth and inflation continued to moderate.
- The revised Q1 Gross Domestic Product (GDP) figures revealed a year-over-year expansion of 2.0%, surpassing the previous estimate of 1.3% growth.
- In May, the Consumer Price Index (CPI) showed a year-over-year increase of +4.0%, underscoring ongoing inflationary pressures, albeit coming in lower than the multi-decade peak of +9.1% reported in June of 2022.
- The Federal Open Market Committee (FOMC) raised interest rates by 25 basis points in May, bringing the Federal Funds Rate to a target range of 5.00%-5.25%, the highest level since August 2007.

Style Performance

- In June, there was minimal performance dispersion between growth and value benchmarks.
- For the quarter and year-to-date periods, growth benchmarks outperformed value benchmarks, with a more significant spread over the year-to-date period.

Market Cap Performance

- In June, smaller caps outperformed larger caps across the style spectrum.
- For the quarter and year-to-date periods, larger caps outperformed smaller caps across the style spectrum. The performance spread in the growth benchmarks was much wider between market cap segments for both periods compared to a narrower spread in the value benchmarks.

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.

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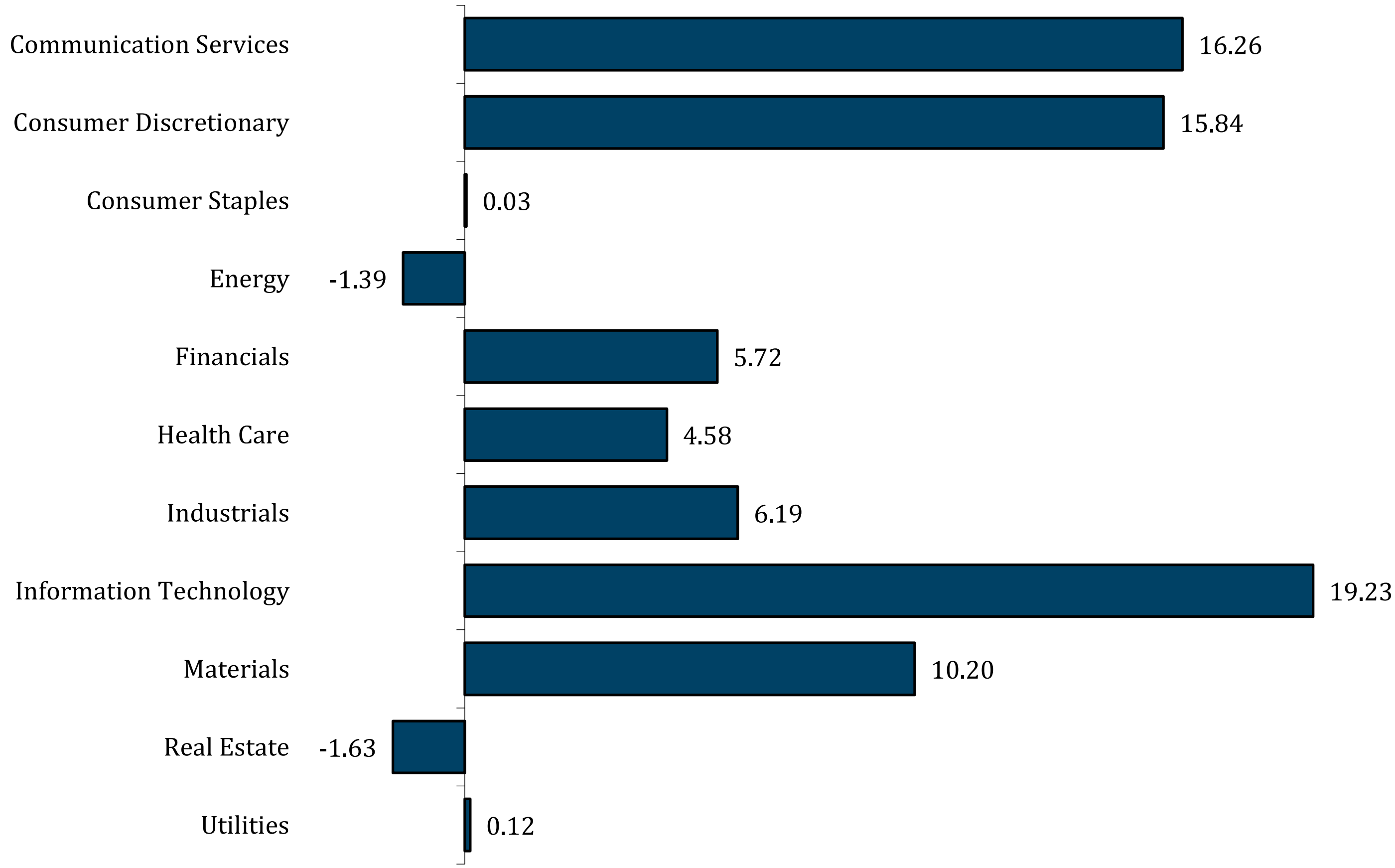
Russell 1000 Growth Total Return
Q2 2023



Data calculated in our proprietary attribution system. Past returns are no guarantee of future performance. A direct investment in an index is not possible. The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Based on Global Industry Classification Standard (GICS) Sectors.
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Periods ended 6/30/2023	Quarter	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*
Large Cap Growth Fund (LCGNX) Class N (net)	11.92%	24.97%	23.49%	10.26%	13.32%	15.34%	--
Large Cap Growth Fund (LCGFX) Class I (net)	12.04%	25.20%	23.89%	10.55%	13.61%	15.63%	--
Large Cap Growth Fund (LCGJX) Class R6 (net)	12.00%	25.16%	23.91%	10.58%	--	--	13.51%
Russell 1000 Growth	12.81%	29.02%	27.11%	13.73%	15.14%	15.74%	15.58%

Class I & N Inception Date: 12/27/1999
*Class R6 Inception Date: 5/2/2019

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. Class N shares are available to the general public without a sales load. Class I and Class R6 shares are available only to investors who meet certain eligibility requirements.

William Blair Large Cap Growth Fund Expense Ratios:

	Gross	Net
Class N Shares	1.03%	0.90%
Class I Shares	0.79%	0.65%
Class R6 Shares	0.66%	0.60%

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 4/30/24.

A direct investment in an index is not possible. The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
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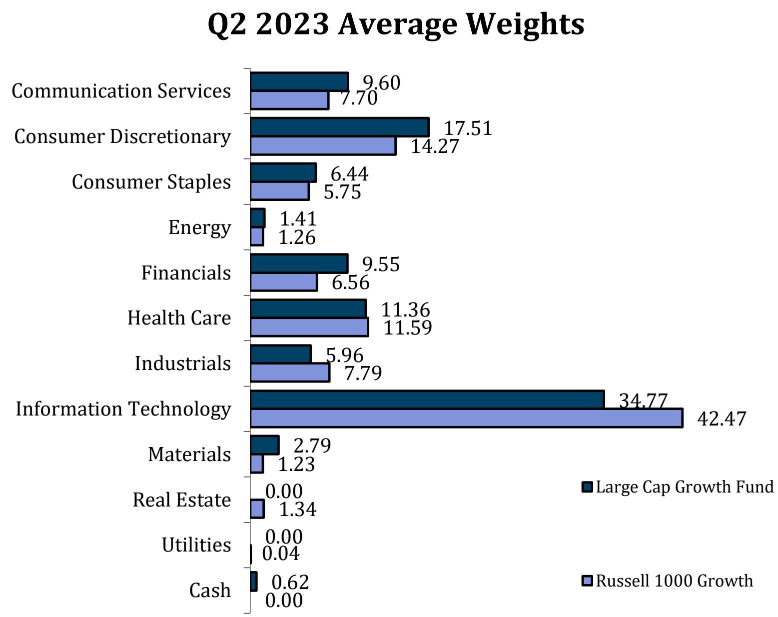
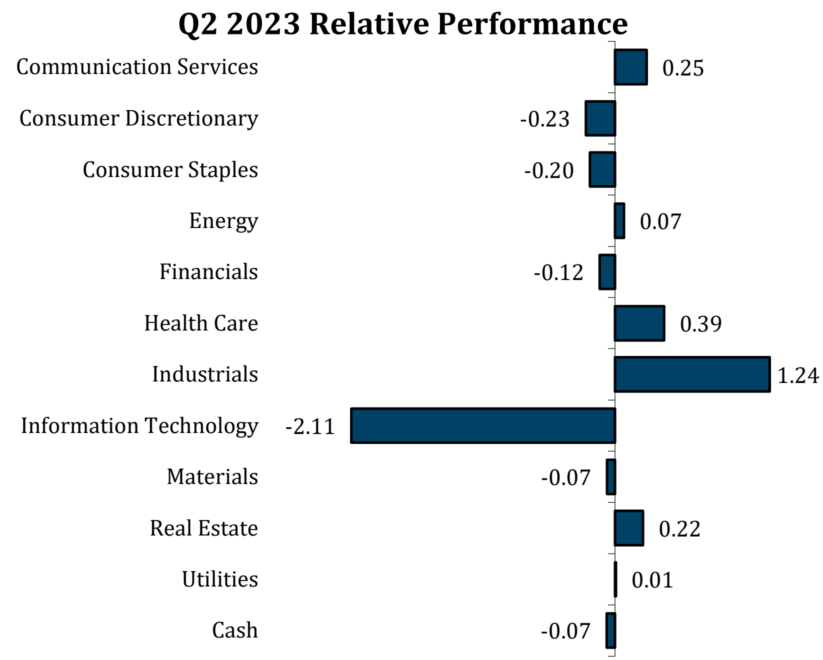
The charts below show the average sector weights and relative performance, by sector, for the Fund vs. its benchmark.





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.*
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CoStar Group (CSGP) provides information, marketing and analytic services to the real estate industry in the United States and select countries internationally. During the quarter, the company reported earnings results that exceeded expectations, driven by favorable pricing and volume trends, as well as strong margin flow through. In particular, Apartments.com sales continued to accelerate as rising U.S apartment vacancy rates increased. Importantly, CoStar's significant investment in its emerging Homes.com segment will likely drive growth over the long term. We maintained our position. We believe the core business has meaningful growth opportunities to continue to expand and leverage its strong competitive moat, and Apartments.com will continue to take share in the multi-family market due to CoStar's vast information advantage relative to competitors.

Palo Alto Networks (PANW) is a leading network security company with a primary focus on enterprise customers. The company has spent the past several years building out an increasingly differentiated cloud and software-based security portfolio. The products position the company to expand its addressable market while also improving the competitive position and growth profile of the core appliance-based firewall business. Palo Alto reported results that indicated its platform and cloud strategy is resonating well with customers, even amid a challenging environment for IT spend. The company appears to be benefiting from consolidation trends as customers look to control costs, evidenced by strong bookings for large transactions and multi-module adoption of its cloud products. We added to our position and continue to believe Palo Alto is well positioned to benefit from long-term security spending and that management is on top of using generative AI to sustain its competitive advantages.

Amazon (AMZN) operates the internet's leading e-commerce website and a cloud computing business, Amazon Web Services (AWS). During the quarter, the company reported earnings results that exceeded expectations, driven by strength across business segments as well as improved retail margins and robust advertising growth. We added to our position and continue to believe in Amazon's long runway for growth as they continue to expand into new categories.

NVIDIA Corp (NVDA) is a leading fabless semiconductor company specializing in the design and marketing of high-performance graphics processing unit (GPU) chipsets and software systems. After liquidating our position in the third quarter of 2022, primarily due to concerns about weakening end markets in gaming and data centers, we made the decision to initiate a position in May 2023. The emergence of new opportunities in generative AI, particularly with the introduction of ChatGPT, have significantly expanded the addressable market for NVIDIA. The company's chipsets are well-positioned to capitalize on this trend, potentially leading to an extended product cycle as enterprises increasingly adopt generative AI workloads. We are currently underweight the stock relative to the benchmark weight and will look to build the position opportunistically over time. During the quarter, shares of NVIDIA advanced as artificial intelligence applications were used more broadly and demand is expected to continue to accelerate, thus our underweight was a detractor.

Estee Lauder (EL) is a leader in the prestige beauty market that manufactures and sells premium beauty products in more than 150 countries across a variety of channels including department stores, specialty retailers, travel retail and ecommerce. During the quarter, the company reported revenues and margins that were below expectations and lowered full-year guidance due to a slower-than-expected recovery in travel retail post-COVID, particularly in Asia. As a result, regions such as Hainan in China are carrying high levels of inventory driven by the decline in consumption. Additionally, in South Korea, another important travel retail market, regulatory changes impacted duty free sales, further dampening results. However, the other segments of the business exhibited broad-based strength. We added to our position on the weakness. Despite transitory headwinds, our long-term thesis remains intact and we continue to have confidence that management has positioned the company for success with its prestige beauty focus within higher growth channels.

PayPal (PYPL) is a digital payments company that enables consumers and merchants to transact online as well as to transfer money between individuals (P2P payments). We continue to believe the dynamics within the industry support strong secular tailwinds as the increasing use of e-commerce and mobile payments has become an important driver of long-term growth in the digital payments space. However, the growth of Apple Pay has had a material impact on PayPal's business, creating uncertainty surrounding the company's ability to grow faster than the overall market and lowered our conviction over the intermediate term. We liquidated our position in favor of more attractive opportunities elsewhere in the portfolio, adding to positions in Information Technology and Consumer Discretionary.

Top 10 Holdings by Weight

	Large Cap Growth Fund % in Fund	Russell 1000 Growth % in Index
Microsoft Corp	14.53	11.70
Alphabet Inc	8.40	6.16
Amazon.com Inc	7.71	5.42
Mastercard Inc - A	5.41	1.52
UnitedHealth Group Inc	4.49	1.73
Accenture Plc-Cl A	3.56	0.90
NVIDIA Corp	3.11	4.64
Costco Wholesale Corp	2.96	1.10
Copart Inc	2.77	0.18
Palo Alto Networks Inc	2.75	0.35
Total:	55.70	33.72

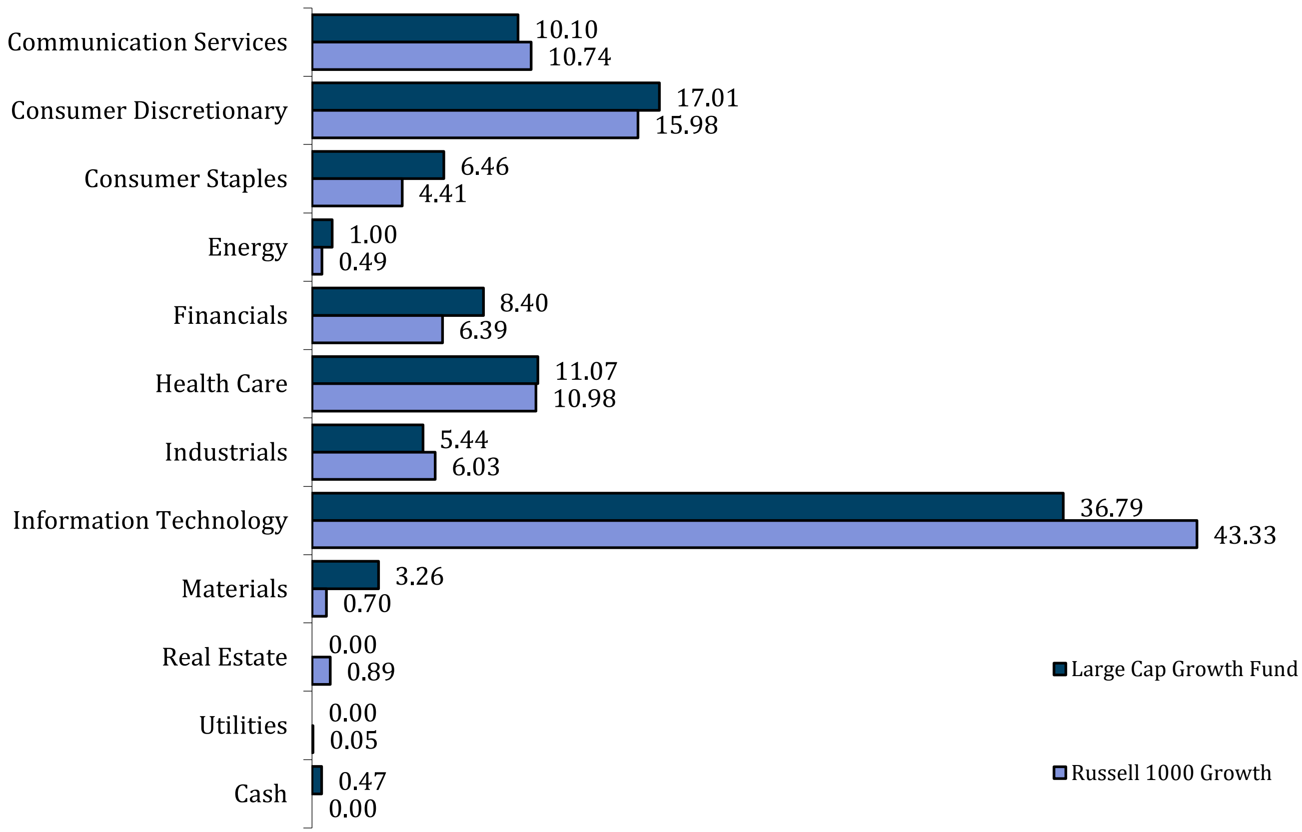
Source: Eagle.
References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities. William Blair may or may not own the securities referenced and, if such securities are owned,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

	Large Cap Growth Fund	Russell 1000 Growth
Growth		
EPS Growth Rate (LT forecast)	14.6%	13.2%
Quality		
Return on Assets (5-year average)	13.0%	13.8%
Free Cash Flow Margin	16.1%	15.1%
Debt to Total Capital	38.0%	46.1%
Valuation		
PE Ratio (1 year forecast)	28.6x	27.2x
Capitalization ($M)		
Weighted Average Market Cap	$736,144	$1,052,565
Weighted Median Market Cap	$205,209	$447,491
Portfolio Positions		
Number of Securities	33	444
Cash		
% Cash in Portfolio	0.5%	0.0%
Active Share		
% Active Share	62%	

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 6/30/2023



Source: William Blair; Eagle
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	Portfolio Weight	Benchmark Weight
COMMUNICATION SERVICES	**10.10**	**10.74**
Alphabet Inc-Cl A	8.40	
Live Nation Entertainment In	1.70	
CONSUMER DISCRETIONARY	**17.01**	**15.98**
Amazon.Com Inc	7.71	
Chipotle Mexican Grill Inc	2.54	
Nike Inc -Cl B	2.11	
O'Reilly Automotive Inc	2.01	
Starbucks Corp	1.57	
Marriott International -Cl A	1.07	
CONSUMER STAPLES	**6.46**	**4.41**
Costco Wholesale Corp	2.96	
Monster Beverage Corp	1.79	
Estee Lauder Companies-Cl A	1.71	
ENERGY	**1.00**	**0.49**
Pioneer Natural Resources Co	1.00	
FINANCIALS	**8.40**	**6.39**
Mastercard Inc - A	5.41	
Apollo Global Management Inc	1.85	
Carlyle Group Inc/The	1.13	
HEALTH CARE	**11.07**	**10.98**
Unitedhealth Group Inc	4.49	
Zoetis Inc	2.62	
Veeva Systems Inc-Class A	2.05	
HEALTH CARE (continued)		
Intuitive Surgical Inc	1.91	
INDUSTRIALS	**5.44**	**6.03**
Copart Inc	2.77	
Costar Group Inc	2.67	
INFORMATION TECHNOLOGY	**36.79**	**43.33**
Microsoft Corp	14.53	
Accenture Plc-Cl A	3.56	
Nvidia Corp	3.11	
Palo Alto Networks Inc	2.75	
Advanced Micro Devices	2.66	
Intuit Inc	2.59	
Salesforce Inc	2.52	
Lam Research Corp	2.08	
Servicenow Inc	1.80	
Texas Instruments Inc	1.20	
MATERIALS	**3.26**	**0.70**
Linde PLC	2.51	
Martin Marietta Materials	0.76	
REAL ESTATE	**0.00**	**0.89**
UTILITIES	**0.00**	**0.05**
Cash	**0.47**	**0.00**
Total	**100.00**	**100.00**

As of 6/30/2023.

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 Benchmark is the Russell 1000 Growth Index.

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.

PBV: (Price/Book Value) Ratio: The PBV Ratio measures the value of a company's common stock relative to its shareholder's equity. A price-to-book multiple above one means that the price of the company's common stock is higher than its common shareholder's equity. A price-to-book multiple below one means that the price of the company's common stock are less than its break-up value, and the shares may be undervalued.

Glossary - Terms

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

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

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

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

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

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

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

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

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