

Fund Commentary
Performance Review

- Broad US equity indices closed 2021's second quarter higher as investors recalibrated their expectations for inflation, interest rates and risks introduced by a firming economic reboot amidst the pandemic's erratic—but less destructive—path. While at first the market's recovery was led by so-called stay-at-home stocks—companies that benefitted from millions of people adhering to COVID-19 mobility restrictions—many investors spent the spring quarter shifting their focus to businesses poised for a rebound in a reopening economy.
- For the quarter, the fund's Series F shares returned 10.30%, and its benchmark, the Russell 3000 Growth Index, returned 9.89%.

QUARTERLY KEY PERFORMANCE DRIVERS

	Stock	Sectors
HELPED	FIGS, Inc. Class A	Health Care (Stock Selection)
	West Pharmaceutical Services, Inc.	Consumer Discretionary (Stock Selection)
	Wuxi Biologics (Cayman) Inc.	Information Technology (Stock Selection)
HURT	Mastercard Incorporated Class A	Industrials (Stock Selection)
	CoStar Group, Inc.	Communication Services (Underweight)
	Facebook, Inc. Class A	Materials

- In the consumer discretionary sector, vertically integrated e-commerce health care apparel company FIGS went public in May and we benefitted from our participation in the initial public offering (IPO) as the stock rallied following its debut. The company has done a great job establishing itself as a lifestyle brand for professional uniforms and taking share in the medical scrubs category that was prime for disruption. The overall business model is also attractive with recurring revenue characteristics and strong profitability allowing FIGS to stand out relative to apparel peers.
- In the health care sector, West Pharmaceutical Services is a leading manufacturer of packaging components and delivery systems for injectable drugs and healthcare products. Strong organic sales growth and accelerating demand for products associated with COVID-19 have been a tailwind for the stock.
- In contrast, payment processor Mastercard (MA) underperformed the benchmark, which hurt our relative returns, although absolute results were positive. The company reported strong first-quarter financial results that included strengthening domestic and cross-border volumes. We continue to be constructive on the secular trends driving MA's growth over the long term and expect the business to be in a structurally stronger position post-pandemic given opportunities in accelerated e-commerce adoption, new payment flows, and digital currencies.

Outlook & Strategy

- The US recovery has been gaining momentum as the country reopens parts of its economy—boosted by pent up demand, government stimulus and vaccine rollouts. Reopening is ultimately leading to better-than-expected earnings growth for companies represented across the broader equity market. Many US companies continue to have very strong balance sheets and appear well-positioned to invest for the future.
- We expect the general recovery direction to continue even though the pace may not be linear as inflation and interest rate increases have become a concern. However, our investment strategy remains unchanged. We continue to focus on bottom-up stock selection of companies based on our assessment of quality, sustainability and growth potential.
- We are finding opportunities across a broad range of sectors. In the industrial sector, there is digitalisation and automation as well as an increased adoption of greener infrastructure initiatives, in particular renewable energy, efficient buildings, high-speed rail and electric vehicles. Investment in e-commerce also is likely to continue at a rapid pace, while select brick-and-mortar retail can also thrive—while consumers want the flexibility of online shopping, many still value in-store experiences as well.
- Further developments are also likely in the digitalisation of healthcare. This can take the shape of telemedicine advancements, efficiency in managing low-acuity patients, and greater usage of remote monitoring devices.
- Despite the continued risk of bumps along the road, we retain our longer-term optimism as the expansion evolves. We continue to believe that navigating the challenges presented in the months ahead will require nimble management. We seek companies offering good valuations that we can hold over the long term. We are looking at businesses that we believe display innovation in technology or market approach and that can generate sustainable earnings and cashflow.

Fund Details

Inception Date	04/14/1997
Benchmark Name	Russell 3000 Growth Index

Fund Description

The fund seeks capital appreciation by investing primarily in U.S. equities demonstrating accelerating growth, increasing profitability or above-average growth or growth potential compared to the overall economy. The fund may also invest up to 25% of total assets in other countries.

Performance Data

Performance (%) as of 06/30/2021

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Inception Date
Series A	10.14	9.99	5.16	22.05	18.18	19.16	15.34	7.80	04/14/1997
Series F	10.24	10.30	5.77	23.42	19.53	20.51	16.64	5.59	11/24/2000
Russell 3000 Growth Index ^a	9.07	9.89	9.84	30.58	22.07	22.30	20.53	9.49	-

Indicated rates of return include changes in unit or share value and reinvestment of all distributions and dividends and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Please refer to the prospectus for further details. **For details on the respective series inception dates, please consult the Fund Facts or simplified prospectus for the fund.** Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. **Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.**

Investment Team

Grant Bowers

Years with Firm 27
Years Experience 27

Sara Araghi, CFA

Years with Firm 17
Years Experience 17

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