



VILLERE FUNDS COMMENTARY

Long-term perspective keeps focus on short list of selections

Despite the re-emergence of Greece as a source of currency volatility on the world stage during the second quarter, the Villere Balanced Fund (VILLX) and the Villere Equity Fund (VLEQX) were largely insulated from overseas market disruptions.

There are two principal reasons for the Funds’ resilience despite the economic convulsions underway in Europe. First, both funds consist of only U.S.-domiciled companies. The U.S. economy’s robust health has helped provide a buffer to overseas instability. Second, the equities we select tilt toward the small- to mid-cap side of the spectrum. Such stocks tend to be more insulated from international shocks than their large-company counterparts. With their dependency on access to overseas markets to sell their products, large, multi-national companies can be easily buffeted by economic factors they can’t control on foreign ground. In contrast, smaller to mid-size firms tend to have a domestic, U.S.-centric footprint. And while they may provide the parts and services multi-nationals require in their supply chains, these stateside firms often work with contracts

inked months in advance – making them less vulnerable to the influences of the 24-hour news cycle.

While Greece may be in the news today, we are quite sure attention will turn back to the Fed tomorrow. A number of encouraging metrics were released which showed that domestic employment, even for skilled workers, and wages continue to rise. Meanwhile, the financial world kept its eyes on the Fed, looking for any hint that might signal a rate hike.

The U.S. dollar strengthens in a rising rate environment, offering a more robust tailwind to small- and mid-cap stocks than large-cap multi-nationals. Indeed, we saw small caps generally outperforming large companies in the quarter and fully expect this to continue through the rest of 2015. Overall, the Funds had a solid quarter and performed in line with or outperformed both benchmarks and peers.

VILLERE BALANCED FUND PERFORMANCE (%)

6/30/2015	Total Return		Average Annualized			Cummulative
	Quarter	1 Year	5 Year	10 Year	Since Inception ¹	Since Inception ¹
Villere Balanced Fund	0.45	-2.96	16.14	7.58	8.71	272.88
Lipper Balanced Fund Index	-0.41	3.11	10.39	6.10	5.29	125.12
S&P 500 Index	0.28	7.42	17.34	7.89	5.04	116.86

Expense Ratio: 0.87%

¹Inception 9/30/1999

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Current performance data to the most recent month end may be obtained by visiting www.villere.com. As of the most recent prospectus, the gross expense ratio for the Villere Balanced Fund was 0.87%.

VILLERE EQUITY FUND PERFORMANCE (%)

6/30/2015	Total Return		Average Annualized			Cummulative	
	Quarter	1 Year	5 Year	10 Year	Since Inception ¹	Since Inception ¹	
Villere Equity Fund	0.63	-3.97	N/A	N/A	6.66	14.37	
Lipper Mid Cap Growth Fund Index	0.44	9.19	N/A	N/A	15.46	34.89	
S&P 500 Index	0.28	7.42	N/A	N/A	14.29	32.06	

Expense Ratio: Gross 1.21%; Net 1.26%

¹Inception 5/31/2013

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Current performance data to the most recent month end may be obtained by visiting www.villere.com. Investment performance reflects fee waivers in effect. In the absence of such waivers, total returns would be reduced. The Fund imposes a 2.00% redemption fee on shares held for less than 60 days.

The advisor has contractually agreed to reduce its fees and/or pay the fund's expense through December 31, 2015.

Villere Balanced Fund

Designed for seeking a blend of primarily small and mid cap stocks as well as bonds, Villere & Company launched its Balanced Fund in 1999. Since its inception, as you can see in the accompanying table, the Fund has easily outpaced the S&P 500 Index as well as the the Lipper Balanced Fund Index.

While on a one-year basis through June 30, the Fund lagged both its Indexes, but regained its lead during the second quarter. Compared with its Morningstar Category, Moderate Target Risk, the Fund is ranked in top tier percentiles over the long term. (As of June 30, 2015, the fund ranked ranked 96% among 911 funds for 1-year, 1% among 699 funds for 5-year, and 7% among 470 funds for 10-years based on total return.)

Concerning our fixed income allocation, we are holding close to our minimum bond allocation as we believe that with interest rates near historical lows, bond prices seem to have nowhere to go but down. Consistent with that view, our bond portfolio currently has a duration of just below four years. Our bond allocation is primarily designed to help temper downside portfolio risk. That said, we do hold approximately 10% of the bond portfolio in below investment grade bonds—these are mainly situations where we know the company and management team from our equity research. We generally prefer to buy a bond when issued and hold it to maturity.

Villere Balanced Fund Top Contributors & Detractors		
Top Performers — Balanced 3/31/2015-6/30/2015	Portfolio Weight (%)	Return
Men's Warehouse, Inc.	5.07	23.10
LKQ Corp.	6.66	18.33
DST Systems, Inc.	4.60	14.08
Pinnacle Foods, Inc.	4.90	12.15
Everbank Financial Corp.	5.01	9.22
Bottom Performers — Balanced 3/31/2015-6/30/2015	Portfolio Weight (%)	Return
3D Systems Corp.	3.80	-28.81
Sanchez Energy Corp.	2.53	-24.67
B/E Aerospace, Inc.	4.73	-13.44
Oceaneering International, Inc.	3.16	-13.16
Howard Hughes Corp.	6.91	-7.41
Villere Equity Fund Top Contributors & Detractors		
Top Performers — Equity 3/31/2015-6/30/2015	Portfolio Weight (%)	Return
Men's Warehouse Inc.	5.36	23.10
LKQ Corp.	5.01	18.33
DST Systems Inc.	5.82	14.08
Pinnacle Foods Inc.	5.61	12.15
Everbank Financial Corp.	4.43	9.22
Bottom Performers — Equity 3/31/2015-6/30/2015	Portfolio Weight (%)	Return
3D Systems Corp.	3.98	-28.11
Sanchez Energy Corp.	3.23	-24.67
B/E Aerospace Inc.	4.52	-13.43
Oceaneering International Inc.	4.62	-13.16
Howard Hughes Corp.	5.01	-7.41

VILLERE & CO.

Investment Counsel Since 1911™

Villere Equity Fund

The Villere Equity Fund, launched in 2013 to meet the needs of investors who wanted an equity portfolio similar to the Balanced Fund but without the bonds, finished its 25th month of operations last quarter. Emphasizing opportunities for the growth potential found in small- to mid-sized companies, the Fund is grounded in the same disciplined approach Villere & Co. has been applying to its investments for more than a century.

As of June 30, the Fund returned 0.63 for the quarter, ahead of its benchmarks yet lagged at 6.66% since inception (annualized), trailing both the S&P 500 Index and the Lipper Mid-Cap Growth Fund Index.

Generally speaking, the stocks held in the Villere Equity Fund will tend to be similar (but not identical) to the equity portion of the Villere Balanced Fund. Individual stock weightings will also differ between the two Funds.

Applying our long-term perspective, we endeavor to find good stocks which are undiscovered or out-of-favor.

Portfolio Review

Contributors

At Villere & Co., we are stock pickers by nature. It is worth mentioning, however, that the portfolios were helped by an overweight to the Consumer Discretionary sector, which tends to expand in step with the business cycle. An underweight in Utilities helped, as last year's rather odd bull market in Utilities continued to unwind. Underscoring the wide-ranging nature of our equity selection style, the top contributors to performance for the second quarter included a haberdasher, a provider of aftermarket auto parts, and a technology company.

Men's Warehouse Inc. continued to be one of our strongest performers for the quarter, as the positive impact of their Jos. A. Bank acquisition in 2014 continued in the quarter. Running on all cylinders, this clothing store continues to be distinguished by its nationwide retail presence and strong tuxedo rental business. A combination of better store design and better trained sales people has also done much to attract and retain repeat customers.

Our patience regarding aftermarket auto part provider LKQ Corp. proved rewarding for investors. The shares had been under pressure as concerns about a strong dollar and scrap metal pricing

scared investors away from an otherwise great business. We continue to believe in the long-term prospects for LKQ's roll up strategy, and we remain impressed with LKQ's dominant market share. We feel confident that insurers and body shops will continue to use alternative parts from LKQ that often cost 40% below new parts and are delivered more quickly.

Long-time technology provider DST proved additive to performance as well. A major provider of technology and business processing services, DST serves a wide range of companies in financial services, healthcare, and customer communications. One of the keys to DST's recent returns has been its management team's focus on shedding hundreds of millions of dollars' worth of non-core assets. The company has used the proceeds of these asset sales to buy back its own shares and to reduce debt and further strengthen its balance sheet.

During the quarter, we also initiated a new position in Kearny Financial, a highly regarded retail bank with 42 branches in Northern New Jersey and Staten Island, New York. We bought shares when Kearny converted from a non-traded mutual holding company to a publicly traded stock holding company. This event created an opportunity to invest in what we believed was a quality bank at below its tangible book value. In a year, Kearny can begin a share repurchase program, and in three years it can be acquired. We viewed this as an excellent opportunity to buy a relatively unknown asset at an attractive valuation for our shareholders.

Detractors

From a sector perspective, we were hurt by our relative underweight to Health Care.

The continued decline of 3D Systems was worsened by a slowdown in its international business. In general, though, investors seem to be giving up on the prospects of three dimensional printing. On the positive side, we have seen firsthand how their quality improvement programs are creating better quality products. Each new product is subjected to a rigorous battery of tests to ensure a greater degree of product reliability. 3D Systems can save its customers both time and money, which suggests a good outlook for the business.

Sanchez Energy Corp. continued to be volatile during the quarter as oil prices continued to whip around. Fortunately, we

maintained a relatively small position in Sanchez, so its overall impact was somewhat muted.

We exited our position in Varian Medical during the quarter. We first bought shares of Varian in April 2009 when we had the chance to buy a top-quality name at distressed prices. While the stock has performed very well for our shareholders, during the quarter we sold the entire position to redeploy that cash into less popular, cheaper stocks.

Summary

As active managers, we often rely on our long-term perspective to buy stocks that face the kind of short-term setbacks which might frighten average investors.

As long-term stock pickers, we typically hold stocks for three to five years or more. In addition to minimizing trading costs, this long holding period orientation can help create a lower tax burden for our taxable investors. Our philosophy at Villere & Co. does not include worrying about what happens in Europe – or at the Fed – anyway. It does include an exhaustive analytical effort to find, research and select good companies for our shareholders.

Thank you for your investment in the Villere Funds.

St. Denis J. Villere, George G. Villere, George V. Young,
St. Denis J. Villere III, Lamar G. Villere, CFA

A mutual fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and may be obtained by calling 866-209-1129 or visiting www.villere.com. Read carefully before investing.

Mutual fund investing involves risk; loss of principal is possible. Investments in smaller and medium sized companies involve additional risks such as limited liquidity and greater volatility. The Balanced Fund will invest in debt securities. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower rated and non-rated securities present a great risk of loss to principal and interest than higher rated securities. The Equity Fund may invest in foreign securities. Foreign investments involve additional risks, including currency fluctuation, political and economic instability, lack of liquidity and differing legal and accounting standards. These risks are magnified in emerging markets. The Equity Fund's ability to invest in initial public offerings (IPOs) involves a higher degree of risk than more seasoned companies.

Diversification does not guarantee a profit or protect from loss in a declining market.

Past performance is not indicative of future results.

Morningstar percentile ranking is based on the total number of funds ranked and the Morningstar total return, which includes both income and capital gains or losses and is not adjusted for sales charges or redemption fees. The highest percentile rank is 1 and the lowest is 100.

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Any tax or legal information provided is merely a summary of our understanding and interpretation of some of the current income tax regulations and is not exhaustive. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation. Neither the Fund nor any of its representatives may give legal or tax advice.

The Top 10 holdings in the funds as of 6/30/2014 were:

Villere Balanced Fund:			Villere Equity Fund:		
LKQ Corp.	(LKQ)	5.4%	DST Systems, Inc.	(DST)	5.7%
Howard Hughes Corp.	(HHC)	4.9%	Pinnacle Foods, Inc.	(PF)	5.6%
Sotheby's	(BID)	4.6%	Men's Warehouse, Inc.	(MW)	5.4%
Men's Warehouse, Inc.	(MW)	4.2%	LKQ Corp.	(LKQ)	5.0%
Flowers Foods, Inc.	(FLO)	4.1%	Sotheby's	(BID)	4.8%
Everbank Financial Corp.	(EVER)	3.9%	Euronet Worldwide, Inc.	(EEFT)	4.7%
Euronet Worldwide, Inc.	(EEFT)	3.7%	Express Scripts Holding Co.	(ESRX)	4.4%
DST Systems, Inc.	(DST)	3.6%	Flowers Foods, Inc.	(FLO)	4.4%
Pool Corp.	(POOL)	3.6%	Howard Hughes Corp.	(HHC)	4.4%
Visa, Inc.	(V)	3.4%	Leggett & Platt, Inc.	(LEG)	4.4%

All holdings in the portfolio are subject to change without notice and may or may not represent current or future portfolio composition. The mention of specific securities is not intended as a recommendation or an offer of a particular security, nor is it intended to be a solicitation for the purchase or sale of any security.

Duration, expressed as a number of years, is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates.

Tangible Book Value (or Tangible Book Value Per Share - TBVPS) is a method of valuing a company on a per-share basis by measuring its equity after removing any intangible assets.

Lipper Balanced Index and the Lipper Mid Cap Growth Fund Index are equally weighted performance index of the largest qualifying funds in their respective Lipper Categories. Each Lipper average represents a universe of Funds with similar investment objectives.

S&P 500 is an unmanaged index which is widely regarded as the standard for measuring large-cap U.S. stock market performance. The stock index does not incur expenses and is not available for investment.

One cannot invest directly in an index.

The Villere Funds are distributed by Quasar Distributors, LLC.