



Q&A WITH GEORGE YOUNG

Portfolio Manager

Q. How are you dealing with market uncertainty right now?

A. We believe there are always good opportunities and we believe Brexit provides a lot of opportunities for us in the market. At Villere & Co. we invest domestically. We believe that's where the opportunities are. As the market has come down, we've seen that PE ratios have compressed, which we view as good opportunities. We aim to buy stocks that have what we believe are good earnings potential.

Q. Are the current market issues with Brexit and the Fed uncertainty an issue for Villere & Co.?

A. No, they really aren't, because we stay domestically oriented. That's where we see opportunities— that's the area that we understand. For instance, companies that offer help with 401(k) guidance –such as Financial Engines (NASDAQ: FNGN) – aren't going to be affected by what Britain and the rest of Europe do. We view a company like that as an opportunity since because cash flows for defined contribution plans for domestic employees of companies like AT&T, Boeing, and Dell are very predictable.

Q. What are you telling your clients?

A. We're telling them the same thing we've told them before, that this is not an overnight game. This is not a gamble. This is investing. When we think of investing, we think of buying small, midcap opportunities and holding them for three to five years. That way you've got the potential to make money over time, and also you've got an opportunity to diversify. Regarding stocks, we stay concentrated, investing in 20 to 25 ideas we think are important, because that allows for some diversification, but at the same time we're not overextended and we're not a closet indexer.

Q. How are you investing right now?

A. At the moment we think there are opportunities in a number of different areas domestically. We've recently purchased Skyworks, a manufacturer of semiconductors for both iPhone and Samsung phones. So whichever way you think the market's going to go, you don't have to make a choice on a particular type of phone. What's important here is recognizing that many people want to get the newest and greatest phone, and that people are continually streaming more content. This means you need extended battery life and more functionality. That's where Skyworks comes in – a cheap company selling at only ten times next year's earnings.

VILLERE&CO.
Investment Counsel Since 1911™

**How are you finding opportunities?**

A. We're constantly monitoring the markets. We see more opportunities in the small and midcap world, which is our area of focus. If you look back at the last two years, the S&P has outperformed the Russell 3000; this has been an aberration versus the last 20 years. Historically small caps have performed better than the broad market. It doesn't take as much capital to move small and midcap stocks. Over the years, that has worked to our benefit.

**Do you have a low cash position right now?**

A. We do. We're fairly fully invested. With the Villere Balanced Fund, we have the opportunity to own bonds. We own about 25 percent in bonds right now, which is historically low. In fact, that's as low as our prospectus allows us to go. That signifies that we've got more confidence in stocks than we do in bonds over the long term.

RISK CONSIDERATIONS

One cannot invest directly in an index.

Mutual fund investing involves risk; principal loss is possible; principal loss 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 through ADRs. 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.

Price to Earnings (P/E) Ratio is a common tool for comparing the prices of different common stocks and is calculated by dividing the current market price of a stock by the earnings per share. The P/E ratio is not a measure of future performance or growth.

Cash flow is the net amount of cash and cash-equivalents moving into and out of a business.

S&P 500 is an unmanaged index which is widely regarded as the standard for measuring large-cap U.S. stock market performance.

Russell 3000 Index is a market capitalization weighted equity index that encompasses the 3,000 largest U.S.-traded stocks, in which the underlying companies are all incorporated in the U.S.

Fund holdings are subject to change and should not be considered a recommendation to buy or sell any security.

The stocks mentioned herein represent the following percentages of the total net assets of the Villere Balanced Fund as of June 30, 2016: AT&T 0.00%, Boeing 0.00%, Dell Inc. 0.00%, Financial Engines Inc. 4.22%; and Skyworks Solutions Inc. 3.14, and of the Villere Equity Fund as of June 30, 2016: AT&T 0.00%, Boeing 0.00%, Dell Inc. 0.00%, Financial Engines Inc. 4.28%; and Skyworks Solutions Inc. 4.26.

You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. This and other important information is contained in the Fund's summary prospectus and prospectus, which can be obtained by calling 866-209-1129. Read carefully before you invest.

Diversification does not assure a profit or protect against a loss in a declining market.

Earnings growth is not representative of the fund's future performance.

Quasar Distributors, LLC, distributor.

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