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Q&A WITH SANDY VILLERE, III

Partner and Fund Manager

Q. How are you handling all the recent volatility?

A. During volatile times like these, we go out on the road even more than usual and visit with our companies. We believe if the market is going to be volatile, it may present an opportunity to buy companies that trade at what we think are reasonable prices versus their growth rates. In the very short run, I think Benjamin Graham might say that the market is a little bit like a popularity contest, where you vote for what's popular and unpopular. In the long run, it's really a weighing machine, where the true substance of a company comes to fruition.

Q. What are you telling your clients now?

A. We're telling our clients to be patient. It is not abnormal in a market to see volatility. This has happened forever, and it will continue to happen. So, I think if we can look at our underlying businesses and what they do. Maybe the exposure to some of the market risks right now, like the devaluation of the yuan in China –let's see how that impacts our businesses. And, we found out it doesn't have much impact, but the stocks are down. Usually it's a buying opportunity.

Q. Have the recent corrections presented good buying opportunities?

A. We think they have. If you're very disciplined on price, and you can find those companies that dominate a particular niche, have free cash flow and high barriers to entry with great management teams, those are the companies that we may invest in if they are trading at what we believe to be attractive prices.

Q. Small-caps have underperformed larger names for over a year. Do you expect this to continue?

A. If we look back to 1926, U.S. small-caps have outperformed large-caps by about two percent annualized (January 1, 1926 – December 31, 2014). Last year, however, as of December 31, 2014, large-caps returned 13.69% (as measured by the S&P 500) while small-caps returned only 3.53% (as measured by the Russell 2000). If history repeats itself, we believe that small-caps have the potential to take the lead looking forward to 2016 and beyond. We believe our companies, which are primarily small and mid-cap, are potentially insulated from currency fluctuations because the bulk of their revenues are domestic as opposed to multinationals that face currency risk.

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Q. What might you say to an investor who might be a little worried?

A. I think understanding what you own is most important to feeling more comfortable. We like to walk our clients through our concentrated portfolios of around 25 names and explain, "Here's what you own. Here's how it's exposed to the Chinese yuan or other factors in the economy." I think investors may worry less if they have a better understanding of what they own, and why we believe those holdings have the potential to weather difficult markets. We believe that, despite volatility, our companies will be okay. We prefer to take advantage of volatility and use the opportunity to buy companies at what we believe are attractive prices and that we feel will grow over the long term.

RISK CONSIDERATIONS

Mutual fund investing involves risk; principal loss is possible.

Free Cash Flow (FCF) is a measure of financial performance calculated as operating cash flow minus capital expenditures. Free cash flow (FCF) represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base.

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

Russell 2000 Index consists of the smallest 2,000 companies in a group of 3,000 U.S. companies in the Russell 3000 Index, as ranked by market capitalization and serves as a benchmark for small-cap stocks in the United States.

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.

The Securities and Exchange Commission (SEC) does not approve or disapprove of any investment.

It is not possible to invest directly in an index.
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