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Q&A WITH GEORGE YOUNG
Portfolio Manager

Q. The incoming administration is bringing great uncertainty for 2017. What are you telling your investors about the days ahead?

A. We're telling them what we've always told them, to "hold tight." Just because there is a change in the administration, that doesn't translate to a change in investment philosophy. We think that good stocks can always be found. We continue to find good companies and believe there is still value out there regardless of who's in the White House.

Q. Do you believe specific sectors or industries will be impacted by the new administration? And, as a result, how might you reposition the portfolios?

A. We're not going to reposition the portfolios. I think maybe the pressing question is, what "body language" have we seen about the new administration? We believe there's going to be less regulation and possibly lower taxes. We believe that there will be diminished financial controls, and that could bode well for banks because of a lack of regulation.

That may bode well for the economy in general because if taxes go down that leaves more money for consumers to inject into the economy. And when it comes to the environment, there may be less regulation, which will also be good for the long term.

Q. The market has seen several years of equity growth, which many say won't continue. How are you positioning your portfolios for slower growth and potential inflation?

A. Our portfolios primarily hold small- and mid-cap stocks. As a whole, this segment underperformed in 2014 & 2015. Nonetheless, overall, the Villere portfolios have done well and had good returns. In our opinion, there's still plenty of good value to be captured. It's our belief that earnings are on the rise and that a number of these stocks are still undervalued because we see significant increases in their earning potential. We look for companies who are great in their niches, whether it's producing certain goods, or delivering certain services, and there's plenty of value out there still.

Q. What's your outlook for small- and mid-cap companies in 2017?

A. On a selective basis, we think that the index, the Russell 3000, could increase in 2017. In our view, that's just a function of earnings and the multiples that are assigned to those earnings, but I think longer term we'll see some good growth.

Q. Are there any policies being proposed by the Trump administration that you believe would impact this sector?

A. The proposed policies are still vague and as we've seen so far, they are still trying to sort everything out. As I said before, we anticipate there'll be less regulation, and that's certainly a good thing from our standpoint. That's very likely to help bank stocks. Then, I also I think you'll see more acquisitions ahead, which may put more money chasing some of our stocks and lead to potential buyouts.

Q. Beyond banking regulations, there are many other proposed policy reforms like healthcare and defense funding. How do you see these reforms impacting the markets?

A. We believe reform is always a good thing. There's no reason to have over-employed civil servants that are helping to make things more complicated. "Keep it simple stupid" is a good philosophy and that's something that we want when it comes to our investments.

Q. Will Villere be making any changes in holdings or trend watching?

A. We're always making changes when they're warranted, but we're not going to make any changes just because there's a new administration. We believe the good companies we hold will do well in any sort of environment. Those are the stocks we seek and what we've been able to find over the years – consistent, well-managed companies who dominate their niche that we believe can deliver good value to our clients.

RISK CONSIDERATIONS

One cannot invest directly in an index.

Mutual fund investing involves risk; 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.

Investments in ETFs are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of the shares may trade at a discount to its net asset value ("NAV"), an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a Funds ability to sell its shares.

Active investing has higher management fees because of the manager's increased level of involvement while passive investing has lower management and operating fees. Investing in both actively and passively managed mutual funds involves risk and principal loss is possible. Both actively and passively managed mutual funds generally have daily liquidity. There are no guarantees regarding the performance of actively and passively managed mutual funds. Actively managed mutual funds may have higher portfolio turnover than passively managed funds. Excessive turnover can limit returns and can incur capital gains.

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.

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.

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

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