

UNDER THE HOOD—this is the first of a series of white papers designed to highlight our thematic approach while also providing a more in-depth understanding of our investment process and its execution.

WHAT IS THEMATIC INVESTING?

For almost four decades we have been researching and investing in small cap growth companies. Over that time period we have observed that the companies that can grow consistently at above average rates have something pushing them forward—a wind at their back. The very best emerging companies are disruptive by nature—they are on the leading edge of the change curve within a given industry or sector. Those companies tend to capture disproportionate market share, growing earnings and revenues at a faster rate and with greater consistency than their peers. Our process looks to identify these “winds” or secular changes, which may be demographic, economic, sociological or political in nature, that collectively become our focus or, as we term them, our themes.

HOW DO YOU DEVELOP THEMES?

Many times they start from our conversations with corporate management teams working within a particular industry. These informative discussions provide us with critical insight/concerns on particular businesses, each conveyed slightly different, but nonetheless similar topics reoccurring time and time again. Sometimes industry trade shows or trade journals highlight or identify them. We also engage consultants to assist in the identification of these secular changes. The insights and observations coming from our concerted efforts are invaluable in helping the team understand key areas of long-term change.

YOUR THEMES SEEM VERY BROAD—HOW DO YOU FOCUS THEM?

Our themes are broad by design, as they are secular in nature. Within these broad areas of change, we have sub-themes, which are more dynamic and can change frequently as they are more focused. As the research process plays

itself out, patterns emerge that help clarify and/or define some aspect of one or more of our investing themes. It’s a bit like putting together a puzzle—eventually the pieces fit together to create a clear picture. When we finally see the picture, we know we have a new sub-theme.

CAN YOU GIVE US AN EXAMPLE OF HOW THIS PROCESS WORKS?

A very big theme with us for a long time has been “The New Consumer”. The Millennials, who are becoming the incremental new consumer, differ greatly in their habits from the Baby Boomers. For instance, Baby Boomers love to physically shop. Millennials much prefer the ease and convenience of online shopping. The typical Millennial, however, spends a significant part of their time and money dining out. Given their habits, is it any wonder that restaurant stocks have outperformed apparel retailers? Their results are much more consistent and less challenged. If we did not look at the consumer sector through the lens of change—the rise of the Millennials—would we gain a better understanding of what may outperform in the consumer sector as clearly?

SO THEMATIC INVESTING ALLOWS YOUR PORTFOLIO TO HAVE SYNERGY?

We think of it this way: we are investing in the future when we invest in small cap growth companies. Utilizing a thematic overlay in our portfolio construction, and incorporating a view of what’s changing in our thinking, are the catalysts behind us becoming better stock pickers. Additionally, the portfolio becomes more focused. As you know, it is very fashionable to run a concentrated portfolio today. We do not.



Effective March 2, 2015, the Fund changed its name, formerly the Adams Harkness Small Cap Growth Fund, to the Lebenthal Lisanti Small Cap Growth Fund, and its Adviser, formerly, AH Lisanti Capital Growth, LLC, to Lebenthal Lisanti Capital Growth, LLC.

Before investing, you should carefully consider the Fund's investment objectives, risks, charges, and expenses. This and other information is in the prospectus, a copy of which may be obtained by calling (800) 441-7031. Please read the prospectus carefully before you invest.

The Fund invests in smaller companies which carry greater risk than is associated with larger companies for various reasons such as narrower markets, limited financial resources and less liquid stock.

These views are intended to assist readers in understanding the Fund's investment methodology and do not constitute investment advice. Foreside Fund Services, LLC is the distributor for the Lebenthal Lisanti Small Cap Growth Fund.

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