

Friess Small Cap Growth Fund

4Q20 Commentary

Tickers

Institutional Investor
SCGFX **SCGNX**

Fund Facts

of Holdings **49**
Benchmark **Russell 2000 Growth**
Active Share **96.70%**
Inception Date **5/31/2017**

Portfolio Management



Scott Gates
*Portfolio Manager
and CIO*

Scott Gates is the lead portfolio manager. The investment team includes Scott Gates and six research analysts who have average tenure of 17 years at Friess and average investment industry experience of 22 years.

About Friess Associates

Friess Associates is a boutique, institutionally oriented investment manager founded by Foster Friess more than 46 years ago. Friess' sole focus is growth equity investing with a research-driven investment approach. Previously an affiliate of Affiliated Managers Group, the firm became independent once again in 2013.

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Portfolio Manager Scott Gates discusses the small-cap rally, the Fund's earnings growth rates, and the profitability of its holdings.

Q1. Small-cap growth companies outperformed their mid- and large-cap growth peers over the fourth quarter of 2020. How did the Fund fare?

For the last three months ended December 31, 2020, the Russell 2000® Growth Index, a proxy for small growth company investing, rose nearly 30%, outperforming the Russell Midcap® Growth Index and the Russell 1000® Growth Index, an index of large-cap growth companies, which increased 19%, and 11%, respectively. By comparison, the Friess Small Cap Growth Fund (SCGFX) rose 34.56% in the fourth quarter of 2020.

Many of the Fund's actively managed small growth peers, according to Morningstar, did not fare as well. The Fund stands out from its peer group in terms of market capitalization. While the Morningstar Small Growth category average was \$5.5 billion at the end of the year, the Fund's weighted average market cap was \$2.4 billion. With the rally in smaller stocks over the last quarter of the year, the Fund's focus on "truer" small-cap companies, with the vast majority having a positive bottom line, appeared to pay off.

| Performance (%) | 4Q20 | 1 Year | 3 Year* | 5 Year* | 10 Year* |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Institutional Class (SCGFX) | 34.56 | 27.33 | 16.01 | 19.60 | 13.17 |
| Russell 2000® Growth Index | 29.61 | 34.63 | 16.20 | 16.36 | 13.48 |

Past performance is not predictive of future performance. Investment return and principal value will fluctuate, so that your shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than performance data quoted. The Fund's Adviser has contractually agreed, through at least April 30, 2021, to waive its management fees and/or pay Fund expenses. Otherwise, returns would be lower. Per the Fund's prospectus dated April 30, 2020, actual gross/net operating expense ratios are 1.37%/1.20% (Institutional shares) and 1.62%/1.45% (Investor shares), respectively. Current month-end data available at friessfunds.com.

Q2. What factors contributed to this outperformance?

We believe the distribution of a COVID-19 vaccine created promising "green shoots" for the market, providing a significant tailwind for small-cap companies. As the vaccine becomes more widely distributed, the economic recovery should ease investor uncertainty and encourage greater investment in the kind of dynamic companies that populate the small-cap category. Combined with a supportive monetary policy provided by the Federal Reserve, we believe the rebound could be particularly beneficial for small-cap companies and, we hope, position them to continue to attract the positive investor attention that we think they deserve.

With the significant move in the small-cap area of the market, we believe active stock selection becomes more important. As bottom-up managers, we isolate companies experiencing accelerating earnings growth that is not dependent on macroeconomic factors such as election results or vaccine trials.

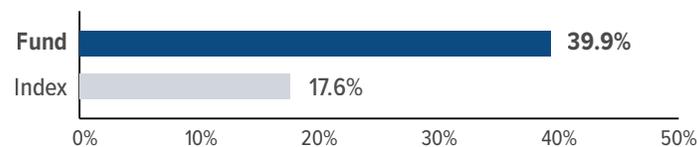
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Q3. Would you please discuss the Fund's current earnings growth rates as compared to its benchmark Index?

As of December 31, 2020, the portfolio offered more than 2x the earnings growth potential compared to the Russell 2000® Growth Index on average. While interest rates, geopolitics and other broad factors influence stocks for fleeting periods, we believe earnings determine stock prices over the long haul. That's why we consistently maintain our focus on companies that show above-average earnings growth potential.

More than 2x the Earnings Growth Estimate

2021 vs. 2020 EPS Growth Estimate



Source: FactSet Research Systems Inc.

Our company-by-company research looks for businesses that possess strong fundamentals and the potential to generate at least 20% earnings growth over the next 12 months in normal economic conditions. We want to isolate rapidly growing companies with upcoming catalysts, such as new products or market opportunities, that we believe are likely to drive earnings

growth beyond Wall Street's expectations. We seek to purchase these companies at reasonable prices, ideally less than 30x their forward earnings estimates. Additionally, we favor companies that generate growth through internal cash flow generation, rather than companies that fund growth through debt or access to public markets.

Q4. With a focus on companies with earnings, how many portfolio holdings were profitable as of 12/31/20?

Among 49 holdings, 40 were profitable as of the end of 2020. Each holding that is not currently profitable presents a specific catalyst we believe will result in a significant positive earnings impact within the next year or two. It is important to understand the drivers of this potential profitability. For example, a company could be experiencing a business model transition or a company may have deferred revenue coupled with great visibility.

A few of the companies currently not generating net income are in the health care sector where some companies are awaiting approval from the U.S. Food and Drug Administration. For example, biotechnology company Aspira Women's Health, a top 10 holding, has been working toward the approval of its new ovarian cancer products. Chembio Diagnostics, a company focused on detecting and diagnosing infectious diseases, is awaiting FDA approval of its new antibody tests, which we believe should happen shortly.

Investors should carefully consider the Fund's investment objectives, risks, charges and expenses before investing. For this and other information, please call (855) 656-3017 or visit friessfunds.com. Read the prospectus carefully before investing.

*Performance shown prior to May 31, 2017 is for Series B Units of the Friess Small Cap Trust (the "Predecessor Fund"), an unregistered Delaware Business Trust that commenced operations on August 6, 2002. The Predecessor Fund offered Series A and Series B Units. Performance is shown for Series B Units because Series B Units have been outstanding since inception of the Predecessor Fund. Returns for Series A Units, for the periods they were outstanding, would generally have been higher than returns for Series B Units. The Predecessor Fund was reorganized into the Fund by transferring all of the Predecessor Fund's assets to the Fund in exchange for Institutional Class shares of the Fund on May 31, 2017, the date that the Fund commenced operations (the "Reorganization"). The Predecessor Fund has been managed in the same style as the Fund will utilize and by the same Investment Adviser and Sub-Adviser. The Fund's investment objective, policies, guidelines and restrictions are, in all material respects the same as those of the Predecessor Fund. At the time of the Reorganization the Predecessor Fund's investment portfolio was managed by the same portfolio manager and team of investment professionals who will manage the Fund's investment portfolio. The Investor Class commenced operations on May 31, 2017. Performance shown prior to inception of the Investor Class is based on the performance of the Predecessor Fund, adjusted for the higher expenses applicable to Investor Class shares. The Predecessor Fund was not subject to certain investment restrictions, diversification requirements and other restrictions of the Investment Company Act of 1940, as amended (the "1940 Act") or Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), which, if they had been applicable, might have adversely affected the Predecessor Fund's performance.

Earnings growth is not a forecast of the Fund's future performance. Earnings growth for a Fund holding does not guarantee a corresponding increase in the market value of the holding or the Fund.

Active Share is the percentage of stock holdings in a manager's portfolio that differs from the benchmark index.

As of 12/31/20, the Fund held 2.6% and 1.2% in net assets of Aspira Women's Health and Chembio Diagnostics, respectively. Fund holdings are subject to change. Mention of a specific security should not be considered a recommendation to buy or solicitation to sell that security.

Mutual fund investing involves risk. Friess Small Cap Growth Fund invests in small-cap companies, which involve additional risks such as limited liquidity and greater volatility. The Fund may also invest in depositary receipts, which are generally subject to the same risks as the foreign securities because their values depend on the performance of the underlying foreign securities.

The Russell 2000® Growth Index is a market-cap-weighted index that measures the performance of Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap® Growth Index measures the performance of Russell Midcap® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index measures the performance of Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. One cannot invest in an index.

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