

# Adams Harkness Small Cap Growth Fund

CUSIP  
349903229

NASDAQ TICKER  
ASCGX

## PERFORMANCE SUMMARY (as of 03/31/12)

Calendar Year	1Q	YTD	1 Year	3 Year	5 Year	Since Inception
Adams Harkness	16.15%	16.15%	-1.79%	26.92%	3.60%	5.05%
Russell 2000 Growth	13.28%	13.28%	0.68%	28.36%	4.15%	6.09%

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. The Fund's return assumes the reinvestment of dividend and capital gain distributions. For the period reported, some of the Fund's fees were waived or expenses reimbursed; otherwise, total return would have been lower. As stated in the current prospectus, the Fund's annual operating expense ratio (gross) is 3.63%. The Fund's adviser has voluntarily agreed to waive a portion of its fees and reimburse expenses so to cap the expense ratio at 1.80% through April 30, 2013. Shares redeemed or exchanged within 30 days of purchase will be charged a 1.00% redemption fee. Returns greater than one year are annualized. For the most recent month end performance, please call (800) 441-7031 or visit the Fund's website at [www.ahsmallcap.com](http://www.ahsmallcap.com)

Short-term performance, in particular, is not a good indication of the Fund's future performance, and an investment should not be made based solely on returns. Because of ongoing market volatility, Fund performance may be subject to substantial short-term changes.

### INVESTMENT OBJECTIVE

The Fund seeks maximum capital appreciation.

### Investment Process

Our decision making process is both dynamic and disciplined. It combines sound fundamental judgment with time-tested methodology as we strive to deliver significant alpha to our clients. The key elements of our process are:

Position early in the highest-potential emerging growth companies. Through database screening and fundamental analysis we winnow down the field of small growth companies.

Use themes in portfolio construction to focus and concentrate: Combine top-down market perspective with bottom-up analysis to optimize stock selection and concentrate in the driving investment themes which offer long term opportunity.

Employ a strict sell discipline: We consider the sell decision critical to small cap growth performance. Small changes on the margin in a company's strategic direction can have a big impact on earnings—the Fund's goal is to identify and decipher those clues.

We invest in 90-110 names, with top ten positions comprising no more than 30% of the portfolio. Our goal is to buy a 0.5% to 1.5% position, let our winners run to a bit over 3.0%, and cut our losses early. We maintain a strict p/e to growth valuation discipline.

## Commentary

This quarter was a strong one for the markets and the Adams Harkness Small Cap Growth Fund. Equity markets in the U.S. were strong across the board as economic activity and consumer spending continued to pick up and the fallout from Europe (which was the concern in the fourth quarter) appeared to be minimal. The Russell 2000 Growth Index increased 13.28% in the quarter; the Fund outperformed the Index, increasing 16.15%, respectively. All sectors were strong for the Fund, with consumer discretionary and industrials as the greatest contributors to outperformance. In the consumer discretionary sector, as is our discipline, we focused on companies that had strong secular trends and individual, or "micro", drivers of performance, as opposed to companies that merely benefited from a pickup in consumer spending. Towards the end of 2011 and early in this year, we focused our efforts on increasing the weighting of the industrial stocks in the portfolio. Our research indicates that the recent impact of shale gas and oil development has potentially very positive long term implications for the U.S. industrial sector, because it is likely to provide the U.S. with a secure and plentiful source of energy, both from natural gas and petroleum. This source of energy increases our global competitiveness in industrial sectors and as a result we are starting to see a bit of a renaissance in this sector. We believe this uptick could be the beginning of a long term, multi decade trend that creates a bit more balance in our economy. In addition to having very positive implications for the stock market, it also provides us as small cap stock pickers, with potentially good investment opportunities. Aside from the industrial sector, we see opportunities in all sectors—from healthcare to technology to financials. Again, our investment process focuses on identifying secular, not cyclical, trends and companies that we believe appear uniquely positioned to benefit from those trends.

Additionally, the Fund benefited in the quarter from several takeovers, the most notable of which was Zoll Corporation, which agreed to be sold to Asahi Kasei in mid-March. We believe this takeover activity highlights the attractiveness of smaller growth companies.

Our outlook for the remainder of the year remains constructive. We believe the issues that the economy has faced for the past few years are slowly getting better; the economy appears to us to be in a sustainable uptrend that is "just right"; inflation appears to be reasonably low; Fed policy is accommodative. While it is possible that the market pauses for a bit after its strong run, we do believe that this year overall will be a positive one for smaller growth equities.

*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.*



AH Lisanti Capital Growth  
Investing in Growth

228-FS-0312

**CURRENT THEMES:**

- The Greying of America
- The Biotech Revolution
- Productivity Enhancement
- The Ubiquitous Semiconductor
- The New Consumer
- Managing the Information Age
- America's Changing Leisure Time
- Life in an Uncertain World
- ReEnergizing America
- The Global Industrial Renaissance
- The New Healthcare Paradigm



**Mary Lisanti,**  
CFA  
Portfolio  
Manager

**EXPERIENCED**

Mary Lisanti founded AH Lisanti Capital Growth in 2003. She has over 32 years of financial markets experience. With a particular expertise in small growth companies, she is a veteran of several small cap and market cycles. Ms. Lisanti is a Chartered Financial Analyst and received her BA with honors from Princeton University. The AH Lisanti investment team has over 70 years of experience.

**FOCUSED**

Small cap growth is AH Lisanti's only product. The firm employs the process that Ms. Lisanti has used for over 14 years in managing small cap growth portfolios for major institutions. Each member of the four person investment team specializes in several sectors, so that deep domain expertise is developed and maintained. We are independent researchers—we kick the tires ourselves and develop our own dialogues with a company's management team.

**FLEXIBLE**

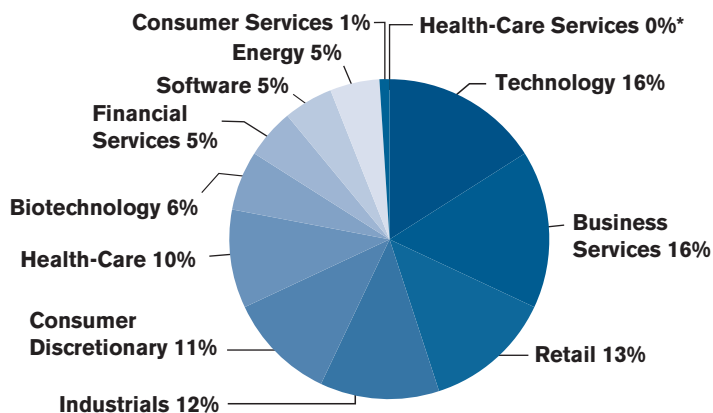
Our small group enables us to be adept at identifying key themes early. Buy and sell decisions are made by Ms. Lisanti—she can quickly respond to changing company dynamics and market conditions.

*Fund Facts*

	<b>Fund</b> (as of 03/31/12)	<b>Russell 2000 Growth Index</b> (as of 03/31/12)
Average Market Capitalization (\$ Billions) <sup>1</sup>	\$1.4	\$1.5
Price-to-Earnings Ratio (forward) <sup>2</sup>	22.8	19.5
Beta (1-year) <sup>3</sup>	1.4	1.4
EPS Growth (current year) <sup>4</sup>	76%	58.0%
EPS Growth (1 year forward) <sup>4</sup>	40%	17.0%
Number of Stocks	111	1,162
Expense Ratio - Gross	3.63%	N/A
Expense Ratio - Net	1.80%	N/A
Fund Net Assets (\$ Millions)	\$12.47	N/A

Source: William O'Neil, Advent Axy 3.6, Factset, Baseline

*Sector Allocation (03/31/12)*



\*Due to rounding, amount rounded down to 0%. Actual amount is 0.43%

*Top Ten Holdings (03/31/12)*

United Rentals, Inc.	2.50%	Pharmacyclics, Inc.	1.76%
Spirit Aerosystems Holdings, Inc.	2.17%	PrivateBancorp, Inc.	1.70%
Select Comfort Corp.	1.86%	Proto Labs, Inc.	1.67%
Tangoe, Inc.	1.82%	Sourcefire, Inc.	1.60%
Spirit Airlines, Inc.	1.78%	Volterra Semiconductor Corp.	1.54%

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.

The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. Frank Russell Company is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. This is a presentation of AH Lisanti. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy in AH Lisanti's presentation thereof. One cannot invest directly in an index. <sup>1</sup>The average market capitalization used in the table is a weighted average and is determined by taking the average of each stock's percentage weight. Generally speaking, small-cap stocks have market values below \$1 billion. <sup>2</sup>Price-to earnings ratio is the value of a company's stock price relative to company earnings. <sup>3</sup>Beta is the measure of a fund's relative volatility as compared to an index. The beta of the Fund and Index are each measured against the Russell 3000, which is comprised of the largest 3000 U.S. companies, representing approximately 98% of the investable U.S. equity market. <sup>4</sup>A fund with a 1.10 beta is expected to perform 10% better than the Index in up markets and 10% worse in down markets. Generally speaking, the higher the beta, the riskier the investment. Alpha is the difference between a fund's actual returns and its expected performance, given its level of risk as measured by Beta. The difference is expressed as an annualized percentage. <sup>5</sup>EPS is earnings per share. The PEG Ratio is the P/E ratio relative to the company's earning growth rates.

Fund holdings and sector allocation are subject to change. The commentary views in this fund profile sheet were those of the portfolio manager as of the issue date and may not reflect her views on the date this profile sheet is first published or anytime thereafter. 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 Adams Harkness Small Cap Growth Fund.

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