OAK RIDGE SMALL CAP GROWTH FUND

Performance Analysis & Commentary | 1Q2019

Performance Summary

- The advance during the first three months of the year nearly erased the prior quarter's decline in major market indices, amidst a dramatic shift in sentiment
- The Oak Ridge Small Cap Growth Fund (the "Fund") ended the quarter with strong absolute returns, but trailed the Russell 2000 Growth Index. The Fund's Class I shares returned 15.29% at net asset value, while the Fund's benchmark, the Russell 2000 Growth Index, returned 17.14%.
- Stock selection in the Industrials, Technology and Consumer Staples sectors were the largest positive contributors to relative returns for the quarter while stock selection in the Healthcare, Financial and Consumer Discretionary sectors detracted from performance.

Please call us at 855-551-5521 for the most recent month-end performance results. Current performance may be lower or higher than the performance data quoted. The performance data quoted represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Security Selection & Sector Allocation

The main contributor to portfolio performance for the quarter was Technology, where our overweight and focus in areas such as software and internet services had a positive impact on overall returns. On an individual stock level, the main contributor to performance was software product development and engineering company EPAM Systems (+46%). The company performed well during the period, as management continued to guide for growth across its segments. EPAM delivered another solid earnings report where revenue growth, margins, and bookings trends all reported positively. The company continues to exhibit best-in-class growth attributes in the IT services space. Electronic payment and transaction processing solutions company Euronet Worldwide (+39%) also performed well during the quarter. With strong fundamentals in the mobile/electronic payments segment, management has continued to execute well and provided positive guidance. Another strong performer was payment processing and information solutions company WEX (+37%), our largest holding in the sector. WEX reported Q4 results ahead of consensus. Amid solid total company growth, WEX called out particularly strong results in the Fleet and Travel & Corporate segments.

Another area of relative outperformance for the first quarter was Industrials. Welbilt was a large contributor during the quarter (+47%). After a rough 2018 Welbilt, a designer and manufacturer of commercial foodservice equipment, hired a new CEO and restated some prior year's taxes. This has repositioned the company for future growth. The company's new CEO is focused on driving operational improvements and product realignment towards its most attractive growth opportunities. This includes a 24-month plan outlining growth initiatives and factory optimization to drive improved profitability. A.O. Smith (+26%) was also an outperformer during the quarter. The company's focus remains on water heating and water treating companies around the world, especially in the U.S. and China. In the U.S., A.O. Smith put in a price increase of up to 12% (10% on average) to cover rising material costs and will be the primary water treatment brand at Lowe's translating to further growth. Lastly, positive contributor ASGN (+17%) which provides permanent and temporary healthcare and technology focused staffers, preannounced strong quarterly revenue and acquisition of DHA Group, a government cybersecurity contractor. The mobile, cloud and cybersecurity company's other business lines continue to grow organically as well.

Another sector that added to portfolio performance was Consumer Staples. The primary contributor in the portfolio was Nomad Foods (+21%). A leading frozen foods manufacturer in Western Europe, it has seen headwinds amidst Brexit concerns, but the share price has recovered as the company reported solid results. Earnings grew around 40% driven by organic growth that more than doubled consensus at +4%. Given the company's innovation pipeline, pricing power, and scope to improve margins, Nomad Foods should drive among the best in class organic top and bottom line growth for the foreseeable future.

Conversely, the Healthcare sector had a negative relative quarter driven mainly by the underperformance of Ligand Pharmaceuticals (down 8%), which develops treatments for a variety of conditions. Ligand took a slight step back during the quarter after the company announced that it was selling its lead royalty generating asset Promacta for ~$800m. Despite the loss of revenue to the company, the sale clears up a key overhang of the stock related to competitive pressures and decelerating sales of Promacta. It also generates a cash haul for future royalty-generating acquisitions and buy backs. Another underperformer during the quarter, although held at a smaller weighting, was Evolent Health (down 37%), which administers health plan solutions. A disappointing first half 2019 profit guidance due to fears that Kentucky may face reimbursement cuts which pressured the stock. The issues appear most likely to be short term timing concerns and thus we remain constructive on the longer-term prospects for the stock. Pacira Pharmaceuticals (-12%), a non-opioid based drug company, detracted from portfolio performance. The company has made attractive acquisitions in diversifying its revenue and adding to its product pipeline i.e. MyoScience, a therapy for nerve pain and damage. The company also recently pre-reported strong revenue numbers for its main drug, Exparel, which is a post-operation non-opioid pain medication.

Financials was also a sector of relative underperformance for the portfolio. The main detractor and only negative performer in the sector was Green Dot Corporation (-24%), which is a fintech provider of general purpose reloadable pre-paid debit cards. The company significantly underperformed in Q1 due to several concerns, including increased competitive pressure, a slowdown in key operating metrics, and challenges to the sustainability of growth in fees per active card. Even so, our outlook is positive due to the combined weight of emerging platforms like Apple Pay Cash that will generate significant new revenue for Green Dot over the next 5 to 10 years.

Thirdly, Consumer Discretionary holdings detracted from relative performance. Among the holdings, the main decline was in retail company Party City Holdco (-20%). Party City pulled back during the quarter after a slight Q4 miss and lowered guidance. The shortfall was driven by weaker than anticipated comparisons of -2.9%. The stock also reacted poorly to management's cut in guidance, which equates to flat to slightly positive earnings growth. Despite the miss, the company grew EPS 33%, and valuation continues to be attractive at these levels. Discount apparel company Burlington Stores (-4%) continues to be a solid performer and core long-term holding but had tough results compared to previous quarters. Off-price retail is a secular winner with limited vulnerability to ecommerce, and Burlington has the scope to gain significant share, and drive substantial margin improvement against what is a very rational competitive peer set.

Trading Activity

Eight stocks were added to the portfolio, and seven were eliminated in first quarter trading. The portfolio's Technology allocation increased from 25% to around 28% with the addition of Rapid7 (cyber security analytics), ShotSpotter (gun detection software for law enforcement) and Five9 (cloud software for call centers). We also sold out of our position in Lumentum Holdings (optical communications) and Integrated Device Technology (semiconductors) in the Technology sector. Healthcare slightly decreased from 24% to 22% with divestments of Acadia Healthcare (mental health facilities), Cambrex (generic pharmaceutical ingredients), La Jolla Pharmaceuticals (blood diseases) and Corcept Therapeutics (cortisol disorder treatments). While we added Healthcare names Merit Medical Systems (cardiovascular medical devices), Heron Therapeutics (cancer-treating pharmaceuticals) and LHC Group (nursing services). The Consumer Discretionary allocation rose by a percent to 18% of the portfolio after adding YETI Holdings (outdoor recreation products). While in Consumer Staples we sold out of e.l.f. Beauty (cosmetic/skin-care products). An Industrials company was also added to the portfolio, Casella Waste Systems (residential/commercial waste management), bringing the sector weight up from 13% to 15%.

Current Outlook & Positioning

Global growth is more challenged than in the U.S., inflation appears a non-factor and most Central Banks understand the need to nurture and not panic markets. This would suggest the new era of low to negative interest rates should remain, which is important when comparing current market valuations to historical levels. It is also very likely that the days of 4% economic growth in our country are behind us, irrespective of government policies.

Current P/E ratios still appear reasonable, but earnings comparisons will be difficult for most of this year. The best performing stocks during the first quarter, in all capitalization ranges, were Growth stocks. Companies able to increase earnings can be valued at a premium, as estimates are generally reduced for the average stock in the market. The decline in interest rates, taxes and inflation have created an environment that has expanded profit margins and earnings growth. Accordingly, stocks seem fairly-valued and those firms that continue to grow earnings look well positioned for further gains.

Top Ten Holdings As of 3/31/2019	Sector	Portfolio %
Omnicell	Healthcare	3.1
Five Below	Consumer Discretionary	3.1
Ollie's Bargain Outlet	Consumer Discretionary	3.1
Euronet Worldwide	Technology	3.0
Nomad Foods	Consumer Staples	2.8
WEX	Technology	2.7
EPAM Systems	Technology	2.6
Envestnet	Technology	2.4
Globus Medical	Healthcare	2.4
POOL	Consumer Discretionary	2.3
Total Percentage		**27.5%**

Holdings and sector weightings in this commentary are subject to change without notice and are represented as a percentage of total net assets. The positions listed are not a recommendation to buy or sell.

Performance Review

Oak Ridge Small Cap Growth Fund's Class I shares returned 15.29% at net asset value during the quarter, while the Fund's benchmark, the Russell 2000 Growth Index, returned 17.14%.

Annualized Returns

March 31, 2019	Oak Ridge Small Cap Growth Fund A (NAV)	Oak Ridge Small Cap Growth Fund A (POP)	Oak Ridge Small Cap Growth Fund I	Russell 2000 Growth % Return
Latest Quarter	15.15	8.57	15.29	17.14
1 Year	3.16	-2.78	3.45	3.85
3 Year	11.04	8.87	11.39	14.87
5 Year	5.64	4.39	5.98	8.41
10 Year	13.79	13.11	14.14	16.52
Since Inception*	9.86	9.60	9.99	7.59

*Inception 1/3/1994
Class A Share (POP): Reflects the deduction of the maximum 5.75% sales charge
Total Expense Ratio: Class A - 1.44%, Class I – 1.15%

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Important Risks: Equity securities, such as common stocks, are subject to market, economic and business risks that may cause their prices to fluctuate. Investments made in small capitalization companies may be more volatile and less liquid due to limited resources or product lines and more sensitive to economic factors. The Fund invests in foreign securities which involves certain risks such as currency volatility, political and social instability and reduced market liquidity. Emerging markets may be more volatile and less liquid than more developed markets and therefore may involve greater risks. The Fund invests in ETFs (Exchange-Traded Funds) and is therefore subject to the same risks as the underlying securities in which the ETF invests as well as entails higher expenses than if invested into the underlying ETF directly.

The Russell 2000 Growth Index is an unmanaged index that measures the performance of U.S. small cap growth stocks. It is not possible to invest directly in an index.

The Fund performance attribution information shown below does not reflect the deduction of fees, charges and expenses associated with investing in the Fund, such as sales charges, management fees, distribution and service (12b-1) fees, or any other fees associated with the Fund. Such expenses would reduce the overall returns shown. Please refer to the average annual total returns table for performance that reflects the deduction of these fees and charges.

Chart 1 – Sector Weightings as of 3/31/2019

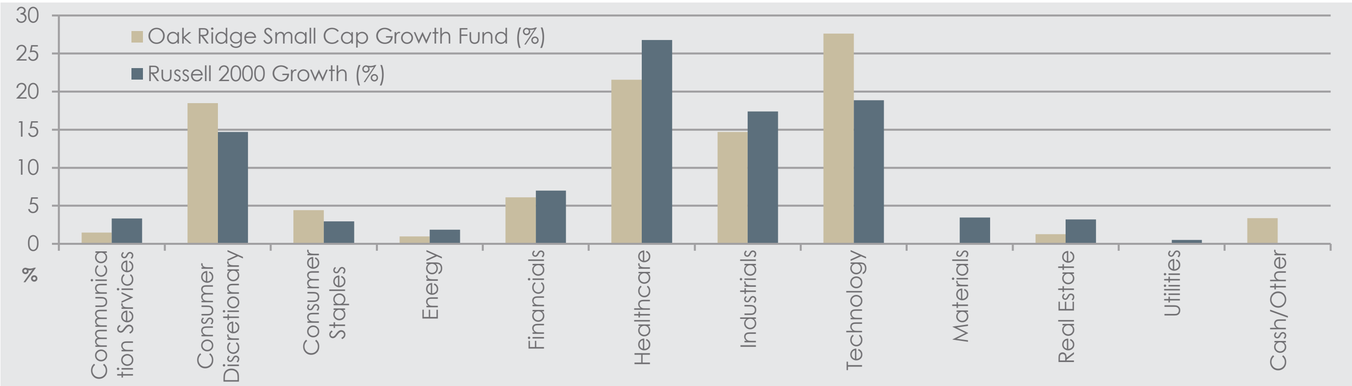


Chart 2 – Sector Returns – 1Q 2019

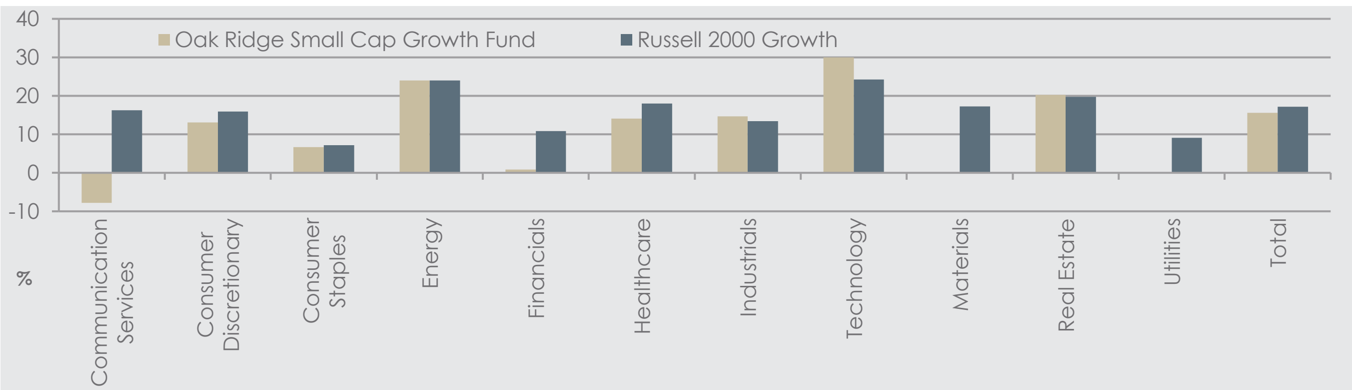
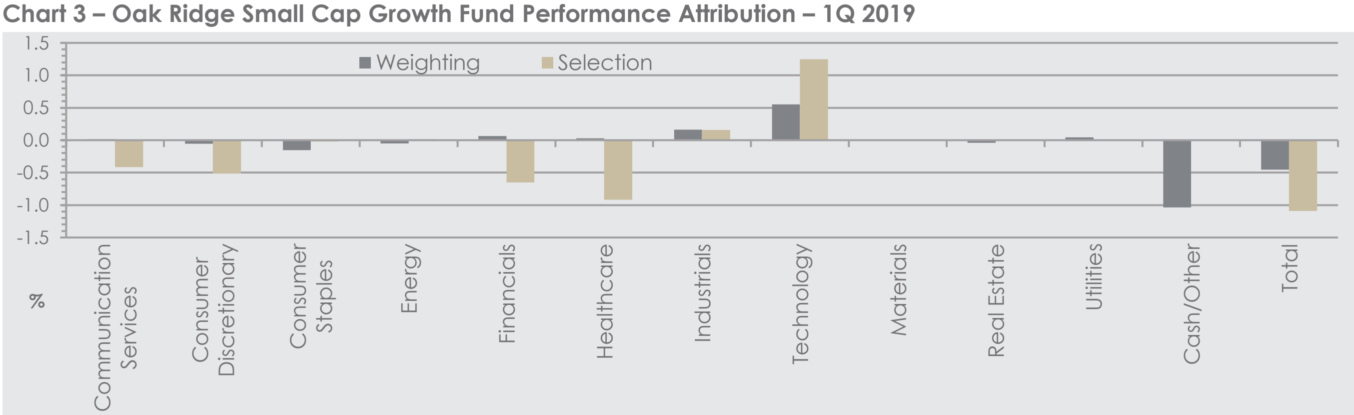


Chart 3 – Oak Ridge Small Cap Growth Fund Performance Attribution – 1Q 2019



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 855-551-5521 or visiting oakridgefunds.com. Please read the prospectus carefully before you invest.

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