Jackson Square SMID-Cap Growth Fund Commentary

As of December 31, 2018

QUARTERLY MARKET REVIEW

Volatility began to significantly increase on October 4 and the VIX maintained generally high levels for the remainder of the year. At the beginning of the quarter, we witnessed significant dispersion in sector returns as investors fled the momentum driven sectors that had led performance for much of 2018.

Despite higher interest rates for much of the year, the upheaval in the final quarter brought high quality bonds back to an approximately zero return for 2018. While Growth and Large-Cap stocks experienced a poor quarter, they maintained their relative leadership for the year. In contrast, Emerging Debt and Equity, despite a relatively positive fourth quarter, remained laggards for the year.

Consistent with the fourth quarter, Quality style factors dominated their Low Quality counterparts by wide margins.

The US managed to maintain leadership among developed countries despite being the worst performer in Q4. Similarly, Technology and Healthcare were dominant for the year despite significant weakness later.

STRATEGY REVIEW

For the fourth quarter of 2018, the SMID-Cap Growth Portfolio outperformed its benchmark, the Russell 2500 Growth Index. While performance was largely driven by our stock exposure, on a sector level, communication services was the largest contributor and information technology the largest detractor from performance.

Contributors

Equity Commonwealth, a commercial office real estate investment trust, was a contributor to performance during the period. After the company announced third quarter earnings, demonstrating robust leasing volume which included a 429,000 square-foot lease with Amazon, we believe the stock has represented a ballast in an otherwise jittery market. We remain supportive of management and its current strategy of concentrating investment into the highest quality properties and also for taking advantage of strong commercial real estate prices to sell assets efficiently.

Liberty TripAdvisor Holdings, Inc., a travel website providing travel advice and planning features, was a contributor to performance during the quarter. The company announced third quarter earnings and has seen its stock price appreciate since. Revenue per hotel shopper grew 5% and the company has seen revenue growth accelerate in its key Non-Hotel offerings. Additionally, Hotel adjusted EBITDA and Total Adjusted EBITDA grew 94% and 54% respectively. Management stated they are on track to deliver strong profit growth in 2018 and the business is well-positioned heading into 2019. We continue to believe TripAdvisor is an undervalued asset due to its ability to attract significant numbers of interested travelers and that the company is worth more than recognized at the current valuation.

The New York Times Company, the global publisher, was a contributor to performance during the period. The stock has appreciated since the company announced a regular quarterly dividend of $0.04 per share. Additionally, the company expects digital sub gains to have accelerated with the recent mid-term election cycle. We believe New York Times is becoming a high-quality digital subscription business without the content cost inflation inherent in entertainment oriented subscription models. We believe that quality journalism is experiencing the early onset of increased consumer willingness to pay for content. We believe these trends will drive value for the company over the longer-term.

Detractors

Bio-Techne Corporation, a company that provides bioactive tools and resources for the research and clinical diagnostic communities, was a detractor from performance during the period. Despite no material news during the quarter, the stock has performed well year-to-date encouraging investors to realize gains at the end of 2018. Third quarter earnings reported organic growth of 10% compared to the prior year and the continuation of the stock's quarterly dividend of $0.32 per share. We continue to believe in Bio-Techne's unique competitive position in manufacturing reagents and other tools that are instrumental to drug discovery and treatment, without explicitly being tied to less certain, oftentimes binary, drug outcomes.

Cambrex Corporation, a life sciences company that provides products and services for small molecule active pharmaceutical ingredients, was a detractor from performance during the period. The company announced the acquisition of Halo Pharma, a leading dosage form Contract Development and Manufacturing Organization (CDMO) for $425mm. While this raised the specter of execution risk over the short-term, with the acquisition of Halo, Cambrex will enter the large and growing finished dosage form CDMO market, allowing them to expand their services capability and broaden their customer base. We believe Cambrex is benefitting from the strong secular tailwinds of Research and Development spend and Active Pharmaceutical Ingredients outsourcing trends within the global pharmaceuticals industry. Their core competency in high-potency, complex formulas and most recently, finished dose development and manufacturing, reinforces their competitive positioning and differentiated value proposition to their customers.

Core Laboratories N.V., a service provider for the petroleum industry, was a detractor from performance during the quarter. The stock has lagged since the company revised guidance in the third quarter due to delays in the recovery of international field development which are deferring revenue opportunities. These delays are primarily in the North Sea, Middle East and Asia-Pacific regions. While the pushouts to positive financial performance due to lagging international field development remain a hindrance to stock performance, we still expect them to fall within our long-term investment horizon. Furthermore, we are pleased to see consensus begin to recognize the stock's current under-valuation as various broker houses have recently upgraded the stock to buy during the period. We believe the company will hold up better than others in the industry given their low capital expenditures, attractive return on invested capital (ROIC), and the company's solutions-to-site analysis that drives value in various parts of the energy cycle.

MARKET OUTLOOK

After significant positive absolute returns in the equity market over the past several years, sporadic volatility emerged during 2018. The volatility appeared to be both technical and fundamental, leaving investors continuing to struggle with accurately predicting the pace of global economic activity and assessing external factors that threaten economic fundamentals, such as central bank actions and fiscal policy debates across the globe. During the fourth quarter, the equity markets reflected such uncertainty, resulting in a significant correction. Previous market corrections over the past several years tended to be relatively quick, only to reverse before getting to any material level of investor risk aversion. As the 2019 year begins, investors are focused on the interplay between technical and fundamental factors to determine whether the long, post-financial crisis economic and equity market recovery has come to an end or whether the recent sell off will prove to be transitory.

Adding to investor uncertainty is President Trump's unconventional style as a head of state and various controversies surrounding his administration that may hamper significant policy change. In the short term, we are mindful of the potential macroeconomic implications of Trump policy shifts, e.g. economic growth, higher corporate and personal incomes from lower tax rates, etc. In recent months, President Trump's comments and public positioning on global trade has created more investor concerns about how a potential global trade war might impact the pace of economic growth. We believe it is too early to determine the long term magnitude of such outcomes but we will closely monitor President Trump's tenure with a keen eye on the execution of significant policy shifts.

Nonetheless, regardless of policy outcomes and of oscillating investor sentiment in any given period, we remain consistent in our long-term investment philosophy:

We want to own what we view as strong secular-growth companies with solid business models and competitive positions that we believe can grow market share and have the potential to deliver shareholder value in a variety of market environments.

PERFORMANCE as of 12/31/18	Current quarter	YTD	1 year	3 year	5 year	10 year	Since inception	Inception date	Gross expense	Net expense*
JS SMID-Cap Growth Fund Inst. Class**	-16.61%	1.99%	1.99%	9.82%	7.87%	18.34%	10.29%	9/16/16	1.04%	0.98%
JS SMID-Cap Growth Fund Inv. Class**	-16.73%	1.68%	1.68%	9.50%	7.57%	18.03%	10.01%	9/19/16	1.29%	1.23%
JS SMID-Cap Growth Fund IS Class	-16.69%	1.96%	1.96%	9.86%	7.93%	18.43%	10.39%	12/1/03	0.94%	0.88%
Russell 2500® Growth Index	-20.08%	-7.47%	-7.47%	8.11%	6.19%	14.76%	8.64%	12/1/03		

The performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. To obtain performance data current to the most recent month-end, call 844.577.3863. Performance reflects fee waivers in affect. In the absence of such waiver, returns would be reduced.

* The adviser has contractually agreed to reduce management fees and reimburse operating expenses until 02/28/19. Net expense is what the investor pays.

**Returns shown are for the IS Class shares of the Fund. Pursuant to an Agreement and Plan of Reorganization between Managed Portfolio Series, on behalf of the Fund, and Delaware Pooled Trust on behalf of The Large-Cap Growth Equity Portfolio (the "Predecessor Fund"), the Fund acquired all of the assets and liabilities of the Predecessor Fund in exchange for IS Class shares of the Fund on September 19, 2016 (the "Reorganization"). The IS Class of the Fund had no operations prior to the Reorganization. The Predecessor Fund was a series of Delaware Pooled Trust, a registered open-end investment company. As a result of the Reorganization, the Fund will be the accounting successor of the Predecessor Fund. Prior to September 19, 2016, the Adviser served as sub-adviser to the Predecessor Fund. The IS Class performance has not been restated to reflect any differences in expenses paid by the Predecessor Fund and those paid by the Fund. Performance shown for the periods prior to the inception of the Institutional Class and Investor Class is based on the performance of the IS Class shares, adjusted for the higher expenses applicable to that class.

TOP 10 HOLDINGS		% of Total Net Assets
Equity Commonwealth - REIT	Financial Services	6.51
LiveRamp Holdings	Technology	6.00
New York Times - Class A	Consumer Discretionary	5.90
j2 Global	Utilities	5.48
Bio-Techne	Health Care	4.95
Liberty TripAdvisor Holdings	Consumer Discretionary	4.71
Dunkin' Brands Group	Consumer Discretionary	4.38
Cars.com	Consumer Discretionary	4.00
LendingTree	Financial Services	3.95
Paycom Software	Technology	3.89
Total Top Ten Holdings		**49.77**

List excludes cash and cash equivalents.

IMPORTANT INFORMATION

Unless otherwise noted, the source of statistical information used in this document was FactSet.

The views expressed represent the Manager's assessment of the account and market environment as of 12/31/18 and should not be considered a recommendation to buy, hold, or sell any security, and should not be relied on as research or investment advice. Holdings are as of 12/31/18 and subject to change. Investments in small and/or medium-sized companies typically exhibit greater risk and higher volatility than larger, more established companies. Because this strategy expects to hold a concentrated portfolio of a limited number of securities, the portfolio's risk is increased because each investment has a greater effect on the strategy's overall performance.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company and may be obtained by calling 844.577.3863, or by visiting www.jspfunds.com. Read the prospectus carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified Fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. Small- and Mid-capitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies. The Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater in emerging and frontier markets. Investments in Real Estate Investment Trusts (REITs) involve additional risks such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments.

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

The Russell 2500® Growth Index measures the performance of the SMID-Cap Growth segment of the U.S. equity universe. It includes those Russell 2500® Growth companies with higher price-to-book ratios and higher forecasted growth values. Index returns do not reflect management fees, transaction costs, or expenses. VIX index is a popular measure of the stock market's expectation of volatility implied by S&P 500 index options. Indices are unmanaged, and one cannot invest directly in an index. Benchmark information contained herein has been obtained from third party sources believed to be reliable, but we cannot guarantee its accuracy or completeness. All third-party marks are the property of their respective owners. EBITDA is earning before interest, tax, depreciation and amortization. Basis points is one hundredth of one percent.

Information regarding JSP's policies and procedures for calculating and reporting performance results is available upon request. A complete list and description of composites managed by Jackson Square Partners is available upon request. The above information is not intended and should not be construed as a presentation of information regarding any mutual fund.

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