Jackson Square Large-Cap Growth Fund Commentary

As of December 31, 2017

QUARTERLY MARKET REVIEW

In the fourth quarter of 2017 the global economy continued its steady expansion coupled with low inflation. In the U.S., equities were strong, buoyed by the prospect and eventual passing of tax reform legislation. U.S. interest rates rose by 25 bps. The market has continued to favor risk-on investments, as evident by the strength of the technology sector, emerging markets and growth indices. Risk-off sectors, such as utilities, underperformed.

In the U.S. for the fourth quarter of 2017, the small-mid cap Russell 2500 Growth® gained 6.35% while the Large-Cap Russell 1000 Growth® gained 7.86% and the Russell 3000 Growth® gained 7.61%. In the international equity markets, the MSCI ACWI ND® gained 5.73%.

STRATEGY REVIEW

For the fourth quarter of 2017, the Large-Cap Growth Fund underperformed its benchmark, the Russell 1000 Growth Index. While performance was largely driven by our stock exposure, on a sector level, financials was the largest contributor and health care was the largest detractor.

Contributors

PayPal Holdings, Inc., a key supply chain participant in the electronic payments industry, was a contributor to performance during the quarter. The company reported positive Q3 earnings with revenue growing in the high 20% range. The company reported a 3.8% quarter-over-quarter active user growth rate, the highest active user growth achieved since the company's spinoff from eBay, resulting in 218mm active users. The company also announced that over 2mm PayPal merchants will now accept Venmo, an attractive offering for merchants targeting millennials. Notwithstanding the impressive stock performance year-to-date, we are excited about PayPal's future growth prospects. PayPal's core payment product continues to show significant growth by expanding its reach into physical merchants, via Venmo and PayPal, and by increasing infrastructure offerings to other payment companies, via Braintree.

Charles Schwab Corporation, a bank and brokerage firm, was a contributor to performance during the quarter. As a relatively high level tax payer, it's expected that Schwab will benefit from a lower tax-rate under the new tax law. Additionally, while we believe investment consensus is appropriately encouraged by the increase in profitability as a result of higher interest rates, we think consensus continues to underestimate Schwab's organic inflows for the next 5-10 years. Furthermore, changing the cash sweep methodology into the company's bank sweep vehicle will drive upside earnings potential. Finally, management owns significant stock and has incentives that are partly based on return on capital measurements.

Crown Castle International Corp., an infrastructure company for broadcasting and wireless, was a contributor to performance during the quarter. The company reported positive 3Q17 earnings and raised Q4 guidance on better than expected tower revenue. Tower site rental was up 2.9% year-over year (YOY) while small cell site leasing was up 65.6% YOY. The company also increased its quarterly dividend by 11% to $1.05 per share. The proliferation and secular demand for wireless devices (smartphones and tablets) continues to be strong and we believe Crown Castle is distinctly positioned as the industry leader of wireless towers in North America to benefit from this opportunity.

Detractors

Celgene Corporation, a biopharmaceutical company focused on treatments for cancer and other severe, immune, inflammatory conditions, was a detractor from performance during the quarter. The stock was down post earnings due to investor concern over the future growth of an important drug. The company cited lower pricing than expected and higher marketing spending for Otezla, a pill for psoriasis and psoriatic arthritis, which has been showing strong growth in recent periods. Management believes price discounting to increase market share in future years is the right strategy, albeit at the expense of revenue and earnings expectations in the next few years. Furthermore, the recent failure of a Crohn's disease drug in clinical trials has created concern regarding the depth of Celgene's pipeline, which has franchise critical drugs rolling off patents in 2027. We believe that the pipeline disappointment and lower growth expectations for Otezla are the current drivers behind the negative sentiment surrounding the stock. We, however, are optimistic regarding the company's ability to build upon its core cancer franchise, expand indications, and attain positive readouts from its pipeline opportunities.

Symantec Corporation, a global leader in security and information management solutions, was a detractor from performance during the quarter. The company reported mixed fiscal Q2 results with in-line revenue and a cut in guidance for fiscal 3Q 2018 and FY2018, driven in part by higher near term spending. However, management remains confident that they can achieve their second half 2018 guidance through organic growth and large new deals. We believe the stock has been oversold due to high market expectations rather than poor execution. We like the risk/reward profile of the business and believe in the long-term secular growth of the cybersecurity market.

Allergan Plc, a global pharmaceutical company, was a detractor from performance during the quarter. The company lost its patent defense of Restasis, a well-performing dry eye drug. Subject to an appeal, generic Restasis could enter the market by early 2019. We believe the business model's dependency on Restasis exclusivity has been overblown; a patent extension, while beneficial, is not material to our view of the company's long-term intrinsic business value. Considering the company in its entirety, we continue to believe Allergan's core legacy business has solid growth potential, driven by the ophthalmology franchise as well as by the broader use of Botox in both cosmetic and in other medical indications.

MARKET OUTLOOK

Despite positive absolute returns in the equity market over the past several years, Jackson Square Partners believes that a lack of meaningful volatility combined with tepid investor confidence in the global macroeconomic outlook demonstrates that there are more than just fundamental factors affecting stock prices. Many investors have struggled with accurately predicting the pace of global economic recovery and assessing external factors that threaten economic fundamentals, such as central bank actions and fiscal policy debates across the globe. Nonetheless, absolute equity market returns have been strong since the market bottom in 2009, perhaps driven by asset allocation decision-makers seeking the potential for high returns in a low interest rate environment. The result has been more of an investor focus on equities as an asset class as opposed to a focus on company-specific fundamentals.

More recently, President Trump's surprising victory in 2016 and periodic corresponding market reactions during the first year of his presidency reflect growing investor optimism, at least in the short-term, that potential policy shifts could stimulate economic growth. While there are varying degrees of uncertainty to President's Trump's unconventional style as a head of state and current questions and investigations surrounding his administration 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. We believe it is too early to determine the long term direction or 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, 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 12/31/17	Current quarter	YTD	1 year	3 year	5 year	10 year	Since inception	Inception date	Gross expense	Net expense*
JS Large-Cap Growth Fund Inst. Class**	3.25%	28.40%	28.40%	8.58%	14.20%	8.48%	8.54%	9/19/16	0.83%	0.74%
JS Large-Cap Growth Fund Inv. Class**	3.18%	28.05%	28.05%	8.30%	13.91%	8.20%	8.27%	9/19/16	1.08%	0.99%
JS Large-Cap Growth Fund IS Class	3.19%	28.42%	28.42%	8.66%	14.29%	8.58%	8.64%	11/1/05	0.73%	0.64%
Russell 1000® Growth Index	7.86%	30.21%	30.21%	13.79%	17.33%	10.00%	10.32%	11/1/05		

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 3/28/18. 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
PayPal Holdings	Financial Services	7.07
Microsoft	Technology	6.23
Visa - Class A	Financial Services	5.91
Alphabet - Class A & C	Technology	5.79
Mastercard - Class A	Financial Services	4.95
Crown Castle International - REIT	Financial Services	4.38
Biogen	Health Care	3.86
FedEx	Producer Durables	3.80
Intercontinental Exchange	Financial Services	3.68
Celgene	Health Care	3.59
Total Top Ten Holdings		**49.26**

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 12/31/17 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 12/31/17 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. 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 3000® Growth Index measures the growth segment of the U.S. equity universe. It includes those Russell 3000® Index companies with higher growth earning potential, as defined by Russell's leading style methodology. Russell 1000® Growth Index is an unmanaged index that measures the performance of the large-cap growth segment of the U.S. equity universe. 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. The MSCI All Country World Index is a free float-adjusted market capitalization weighted index designed to measure equity market performance across developed markets world-wide. Index "net" return reflects minimum possible dividend reinvestment, after deduction of withholding tax at the highest possible rate. For comparison purposes, the index is fully invested and includes the reinvestment of income. Index returns do not reflect management fees, transaction costs, or expenses. 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. An investment cannot be made directly into an index. The S&P 500 Index is a capitalization weighted index of 500 large capitalization stocks which is designed to measure broad domestic securities markets. Nasdaq is a global electronic marketplace for buying and selling securities, as well as the benchmark index for U.S. technology stocks. 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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