



### QUARTERLY MARKET REVIEW

If the closing months of 2018 were defined by significant volatility and greater dispersion in sector returns, the first quarter at 2019 represented its complete reversal; stocks, credit and crude oil saw their best quarters in a decade. This was driven, in part, by the Federal Reserve and other central banks shying away from interest rate rises alongside an increasingly optimistic outlook on the geopolitical tensions between China and the U.S.

The market's risk-on sectors, namely information technology, consumer discretionary and communication services, led the charge, comprising almost 70% of the Russell 1000 Growth's performance; Facebook, Amazon, Apple, Netflix and Google stocks alone were responsible for approximately a quarter of the benchmark's swing back into positive returns. Large-Cap stocks similarly dominated the Russell 3000 Growth, with good returns in the small and medium capitalization segment of the market unable to keep up.

The U.S. maintained its lead over other developed countries, however investors, for the first time since 2007, saw the U.S. bond yield curve invert. As bearish participants have fled to the safety of government debt, we believe we are seeing greater angst at the late stages of an economic cycle regarding the market's return to high-growth behavior further dislocated from underlying business fundamentals.

### STRATEGY REVIEW

For the first quarter of 2019 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, information technology was the largest contributor and communication services was the largest detractor from performance.

#### Contributors

**The New York Times Company**, the global publisher, was a contributor to performance during the quarter. The company's earnings reflected that the organization has reached new highs in digital subscriptions, totaling 4.3mm. Approximately three-quarters of the publisher's subscribers pay for digital subscriptions. Additionally, the 2018 year saw \$709mm in total digital revenue, meaning that after three years, the company is three quarters of the way to achieving its five-year goal of doubling digital revenue to \$800mm by 2020. 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 further believe that quality journalism is experiencing the early onset of increased consumer willingness to pay for content, and that these trends will drive value for the company over the longer-term.

**LendingTree, Inc.**, an online loan marketplace, was a contributor to performance during the quarter. Recent mortgage data has encouraged investors to question the pervading bear thesis around the lending industry. While the prospect for higher interest rates remains a concern and mortgage activity is relatively low, the recent decrease in mortgage rates has allowed individuals to refinance or purchase a home more quickly and to lock-in costs. We continue to believe that LendingTree will not only continue to be a leader in online loan referrals, but will also strengthen its business model by successfully diversifying its product offerings.

**Paycom Software, Inc.**, an online payroll and human resource technology company, was a contributor to performance during the period. The company reported fourth quarter earnings, posting a beat and a raise to guidance. The quarter's revenues of \$150.3mm represented 32% year-over-year growth, while 2018's revenue of \$566.3mm was a 31% increase compared to 2017. We continue to believe Paycom is a unique human resources software business with strong profitability that is taking share from legacy incumbents due to its SaaS platform and unique sales culture led by the company's founder.

#### Detractors

**Liberty TripAdvisor Holdings, Inc.**, a travel website providing travel advice and planning features, was a detractor from performance during the quarter. The company announced earnings which, despite results modestly above consensus, showed growth within the hotel segment falling short of management's previous guidance. That said, any accelerating traffic decline has been more than offset by revenue per hotel shopper improvements. We continue to believe TripAdvisor is an undervalued asset due to its ability to attract significant numbers of interested travelers.

**Equity Commonwealth**, a commercial office real estate investment trust, was a detractor from performance in the quarter. As equities have found themselves back in favor in the recent period, the company's real estate assets and cash positions have caused a drag in an otherwise appreciating market. Nonetheless, we remain supportive of management and its current strategy of concentrating investment into the highest quality properties.

**Haemonetics Corporation**, an automated blood collection device company, was a detractor from performance during the period. The company slightly underperformed consensus topline expectations. However, the miss has been driven by the legacy blood center business declining more than expectations. Within the plasma segment, which is our thesis driver and represents 54% of the company's revenues, North America grew a very strong 21%. We believe Haemonetics advantaged business model creates a win-win for both the customer and for the company. Additionally, we believe its business mix shift towards high-growth plasma and away from its terminally declining legacy blood center will drive alpha over the long-term.

## MARKET OUTLOOK

After significant positive absolute returns in the equity market over the past several years, sporadic volatility emerged during 2018, most notably in the fourth quarter. 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 first quarter of 2019, the equity markets reversed course and resumed its multi-year run of strong absolute markets and elevated risk appetites. Previous market corrections over the past several years tended to be relatively quick, only to reverse before getting to any sustained level of investor risk aversion. This again seems to be the case as the 2019 year begins, and 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 late 2018 sell off will prove to be transitory.

Adding to investor consideration is President's Trump's unconventional style as a head of state and various controversies surrounding his administration that may hamper significant policy change. While the completion of the Mueller Report has so far passed with little controversy and disruption, we are mindful of the potential macroeconomic implications of President Trump's policy positions, including his comments and public positioning on global trade negotiations with China and political posturing on preferred candidates to be added to the Federal Reserve Board of Governors. 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 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 03/31/19	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**	24.15%	24.15%	16.45%	17.65%	13.64%	21.56%	11.68%	9/16/16	0.99%	0.97%
JS SMID-Cap Growth Fund Inv. Class**	24.04%	24.04%	16.06%	17.29%	13.32%	21.24%	11.39%	9/19/16	1.24%	1.22%
JS SMID-Cap Growth Fund IS Class	24.11%	24.11%	16.39%	17.66%	13.69%	21.65%	11.77%	12/1/03	0.89%	0.87%
Russell 2500® Growth Index	18.99%	18.99%	7.54%	15.60%	9.72%	17.50%	9.73%	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 effect. In the absence of such waiver, returns would be reduced. Returns greater than 1 year are Average Annualized.

\* The adviser has contractually agreed to reduce management fees and reimburse operating expenses until 02/28/20. 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
New York Times - Class A	Consumer Discretionary	7.18
j2 Global	Utilities	5.64
LiveRamp Holdings	Technology	5.52
Equity Commonwealth - REIT	Financial Services	5.38
Bio-Techne	Health Care	5.15
Paycom Software	Technology	4.95
Dunkin' Brands Group	Consumer Discretionary	4.23
Wix.com	Technology	4.15
Redfin	Financial Services	3.94
LendingTree	Financial Services	3.79
<b>Total Top Ten Holdings</b>		<b>49.93</b>

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 03/31/19 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 03/31/19 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](http://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. 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. The Russell 1000® Growth Index measures the performance of the large cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher growth earning potential as defined by Russell's leading style methodology. 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. Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) and compares its risk-adjusted performance to a benchmark index.

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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