AEGIS Value Fund

Portfolio Manager's Letter
Second Half Ended December 31, 2017

January 26, 2018

Table 1: Performance of the Aegis Value Fund as of December 31, 2017

	Three Month	Six Month	One Year (Annualized)	Three Year (Annualized)	Five Year (Annualized)	Ten Year (Annualized)	Since I Share Inception* (Annualized)	Since A Share Inception* (Annualized)
Aegis Value Fund Cl. I	21.66%	21.43%	17.37%	15.05%	8.83%	8.26%	10.33%	NA
Aegis Value Fund Cl. A at NAV	21.53%	21.30%	17.16%	14.80%	NA	NA	NA	2.98%
Aegis Value Fund Cl. A-W/Load	16.95%	16.74%	12.76%	13.35%	NA	NA	NA	1.96%
Russell 2000 Value Index	2.05%	7.26%	7.84%	9.55%	13.01%	8.17%	8.39%	8.59%

* *Aegis Value Fund Class I (AVALX) and A (AVFAX) Inception were 5/15/98 and 2/26/14, respectively.*

Performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The investment return and principal value will fluctuate so that upon redemption, an investor's shares may be worth more or less than their original cost. For performance data current to the most recent month end, please call us at 800-528-3780 or visit our website at www.aegisfunds.com. Performance data for the Class A shares with load reflects the maximum sales charge of 3.75%. Additionally, performance for the Class A Shares without load is shown at NAV, and does not reflect the maximum sales charge. If reflected, total return would be reduced. The Fund's Class I (AVALX) and Class A (AVFAX) shares have an annualized gross expense ratios of 1.50% and 1.76%, respectively. The Fund's Class I and Class A net annualized expense ratio, after fee waiver, is 1.50%, and 1.75%, respectively. Under the waiver, the Advisor has contractually agreed to limit certain fees and/or reimburse certain of the Fund's expenses through 4/30/2018.

We are pleased to report the Aegis Value Fund delivered a 21.43 percent return over the final six months of 2017, outperforming the small-cap, Russell 2000 Value benchmark by 14.17 percentage points. Fund investments rebounded strongly late in the fourth quarter, sending Fund shares surging after trailing the benchmark for most of the year. Fortunately, the strong second half performance brought full-year 2017 Fund returns to 17.37 percent, outperforming the Russell 2000 Value benchmark by 9.53 percentage points.

Materials sector investments were primarily responsible for the Fund's strong 2017 performance. In particular, three stocks positively impacted the Fund's annual returns by just over 17 percentage points in aggregate. Two of these, Resolute Forest Products (RFP) and Verso Corporation (VRS), are companies involved in the pulp, paper and forest products segment. Both Resolute and Verso were purchased at significant discounts to book value following their emergence from bankruptcy, after these companies had restructured and eliminated significant amounts of debt from their balance sheets. At the start of 2017, investor sentiment towards paper companies was extremely negative as the industry was suffering big losses amid plummeting prices and growing overcapacity – the result of paper and newsprint demand declines from a multi-year shift in consumer preference away from paper to digital delivery. Furthermore, the weakening Euro was leading to increased European competition for the diminishing number of customer orders.

Despite these difficulties, we concluded that investor sentiment had overshot the mark, and that certain paper equities had traded down to such low levels that their troubles were more than adequately discounted by the depressed price. We were optimistic that the pace of capacity rationalization in the industry would increase as the industry consolidated and weaker competitors closed down or converted machines to other production. With the supply glut shrinking, we hoped to see improved prices and better profitability for our remaining lower-cost producers. In the case of Resolute, we also believed the company's recent investments in sawmilling and tissue manufacturing, industries with much better demand dynamics, were likely to drive an increasing portion of future corporate cash flows. In the case of Verso, we believed the company's growing specialty paper business, undervalued and unappreciated by the market, substantially mitigated downside risk.

Fortunately, over the course of 2017, capacity shut-downs began to positively impact utilization levels, and prices for both coated and uncoated graphic paper rebounded. In addition, with the recovery in homebuilding, lumber prices began to improve as well. Furthermore, with the dollar weakening as the year progressed, European price competition began to abate, giving domestic producers the ability to raise prices. As a result, profit margins at both Resolute and Verso began to recover, driving stock prices significantly higher. Resolute shares climbed 106.5 percent over the year while Verso shares rose 147.5 percent, impacting Fund returns by 7.0 and 5.0 percentage points, respectively. As the end of the year approached, and with shares of both companies soaring, we took the opportunity to trim down our position in both Resolute and Verso. The resulting late-in-the-year sales were the Fund's biggest liquidations of 2017.

The third investment to drive 2017 Fund returns was copper-producer Amerigo Resources (ARG-TO). Shares of Amerigo soared 241.2 percent over the year as copper prices surged 31.7 percent, lifting cash flow margin significantly higher and reigniting long dormant investor interest. Despite the sizeable gains, we believe Amerigo shares actually remain materially undervalued relative to cash flow, as the $160 million market cap company today trades at just under three times our projected 2019 after-tax free cash flow estimate of $55 million — a projection which incorporates the expected fourth quarter 2018 completion of a capacity expansion and presumes copper prices remain at the $3.00/lb level. While our position remains exposed to the sometimes volatile fluctuations in the copper price, we believe investors are being adequately compensated for the commodity risk incurred, given the cash the business is generating, and the company's low $1.45/lb post-expansion break-even level. Gains in Amerigo positively impacted 2017 Fund returns by an estimated 5.1 percentage points.

On the opposite side of the ledger, the investment that most negatively impacted 2017 Fund performance was unfortunately also the Fund's largest holding – Alliance One International (AOI). Shares of the volatile, $120 million market-cap global tobacco leaf processor dropped 31 percent over a volatile year as shares were dumped from the Russell 2000 Index amid disappointing financial results early in the year. Despite the poor results reported early in the year, due in large part to the carry-over from the previous year's terrible Brazilian crop season, we believe Alliance One's prospects have begun to substantially improve as the much larger more recent Brazilian tobacco crop harvest begins to flow through the financials. Over the last year, Alliance One has also successfully reduced inventories enabling the company to reduce commensurate debt levels. We remain convinced that shares will recover as financial results improve and cash flow is used to further reduce debt. While Alliance One share declines in 2017 negatively impacted the Fund by an estimated 3.5 percentage points, we continue to maintain our position and anticipate significant gain from today's levels.

Overall, the S&P 500 Index of large-cap stocks roared higher by 21.83 percent in 2017. The advance in the index more than doubled the unusually strong ten percent earnings-per-share growth in the S&P 500. Index gains accelerated into year-end as investors began to price-in the impacts of the substantial future reduction in the domestic corporate tax rate from 35 to 21 percent, which materially improved the after-tax earnings prospects of many index constituents resulting in strong upward revisions to 2018 S&P 500 earnings estimates. Growth stocks, which typically trade at higher multiples to reflect investor expectations of faster-growing earnings, outperformed value stocks in 2017 with the larger-cap Russell 1000 Growth Index beating out the Russell 1000 Value Index by an unusually high 16.5 percentage points. Gains were increasingly narrow, with tech stocks leading the show in 2017. Tech stocks turned-in an astounding 38 percent gain, which was all the more surprising given the sector had entered the year with valuation levels that were already nose-bleed-high. By year-end, these gravity-defying tech names had amazingly contributed nearly 40 percent of 2017's S&P 500 Index gains. Incredibly, nearly a quarter of the S&P 500 Index's 2017 return was driven by the gains in just five stocks: Facebook (FB), Apple (AAPL), Amazon (AMXN), Microsoft (MSFT) and Alphabet/Google (GOOG). Today the tech sector overall comprises nearly 24 percent of the S&P 500, up significantly from a little under 20 percent just three short years ago. Facebook, Amazon, Neflix (NFLX) and Alphabet/Google, known as the FANG stocks, today comprise an astoundingly high eight percent of the S&P 500 Index, up from just under three percent in 2012.

Extraordinarily low price volatility was one of the more unusual hallmarks of stock performance in 2017, with the S&P 500 Index experiencing one of the calmest years in the history of the modern equity markets, soaring through all of 2017 without as much as a three percent drop. This was reportedly the longest period of such smooth sailing ever recorded. For the first time in history, the S&P 500 in 2017 actually delivered a positive return in every month of the calendar year. According to Goldman Sachs, realized volatility in 2017 ranked in the lowest historic percentile in data tracked all the way back to 1930. Incredibly, the year witnessed no fewer than 80 of the calmest 100 trading days of the last 17 years, according to Bloomberg, and ended the year with the lowest volatility reading on record.

With the market indices swelling higher with such uninterrupted consistency, investors have turned wildly bullish. As evidence of the roaring sentiment, consider that market optimism among professional investors recently surged to a 31-year high, with the Investor Intelligence survey reporting 66.7 percent of investors now registering as bullish. Nearly eight in ten investors recently surveyed by E-trade thought the market would increase in the first quarter of 2018, up nearly 11 percent from the fourth quarter of 2017. Conversely, a mere nine percent thought the market would drop. With low market volatility and seemingly easy gains, investors, fearful of missing-out, have been racing cash into equity funds, injecting a record $58 billion into mutual funds and exchange traded funds (ETFs) in just the last 4 weeks alone, according to Bank of America. Retail investor cash levels have also plummeted, with Charles Schwab reporting client account cash levels having dropped to 11.1 percent of total client assets, its lowest point in more than 12 years, and well below the diminished client cash levels existing prior to both the 2000 crash and the Great Recession crash of 2008-2009. Furthermore margin debt is now also soaring, with the New York Stock Exchange reporting margin debt up more than $18 billion in the month of November alone, to $581 billion. In recent years, margin debt has been growing at a significantly faster pace than the S&P 500 Index, a worrisome and unsustainable trend.

The love affair with passive indexing also continued in 2017 as a large number of investors, often spurred-on by well-known investment celebrities, continued to redeem their active managed investments and pile into the various index funds. According to EPFR Global, 2017 saw approximately $193 billion redeemed from mutual funds, while $196 billion was added to ETFs, which are overwhelmingly passive. As a result of this continued flow, many cap-weighted passive ETFs are today crowding into the same soaring mega-cap tech stocks that have been helping drive the S&P 500 Index so much higher. At year-end, US equity mutual funds were reported to hold $2.94 trillion of assets, while US equity ETFs had grown to a whopping $2.16 trillion. We are increasingly concerned that too many investors have been lulled into complacency, given the strong portfolio gains that can seemingly be earned with such little downside by simply going passive and indexing assets. As the seductive argument goes, active managers generally charge too much and under-perform the indices. Why deal with the hassle of picking stocks or managers at all, when investors can avoid the worry altogether by just buying the index? While the "set it and forget it" argument has a great deal of superficial appeal, like so many other enticing investment ideas that encourage the abdication of continuing analysis, indexing too has the potential to run amok. Today, with so many investors crowding money into the same passive index darlings, we believe that their risk of capital loss has increased significantly. Given the high valuation multiples inherent in the indices today, we suspect many of these index investors are likely to have a sobering investment experience over the next several years.

While we think it makes a great deal of sense at this time for investors to focus on active managers with good risk controls, the broad hedge fund industry, the quintessential active managers, doesn't appear to be up for the task. After delivering what looks to be a seventh year of underperformance in 2017, hedge funds are now unfortunately in full "fear-of-missing-out" mode, abandoning risk controls to catch-up to the market. Hedge fund short interest is now a meager two percent of S&P 500's aggregate market cap, a five year low according to Goldman Sachs. The same report showed net hedge fund leverage, at just under 80 percent, was at an all-time high. Furthermore, hedge funds are now taking on more concentrated long positions, with the top ten stock positions at hedge funds now comprising an average of 68 percent of their assets, reportedly just below the 69 percent high set in the first half of 2016. Incredibly, hedge fund managers are today apparently also choosing to concentrate their holdings in the same skyrocketing tech favorites that are being bought so aggressively by the passive indices, with Goldman reporting Facebook, Amazon, Alibaba, Google/Alphabet, and Microsoft as being the most popular hedge fund long positions.

Given the extraordinary investment demand crowding into tech stocks, valuation multiples of many of these companies appear to have become quite stretched. Facebook, a $535 billion market cap, trades at 35.5 times trailing earnings and 7.5 times book value. Amazon, a $635 billion market cap, trades at 332 times trailing earnings and 25.7 times book value. Netflix, a $98 billion market cap, trades at 229 times earnings and 29.5 times book value, while Alphabet/Google, an $804 billion market cap, trades at 34.4 times earnings and 5.1 times book value. Microsoft, a $707 billion market-cap, trades at 32.4 times earnings and 7.9 times book. Given the enormous size of many of these companies relative to the broad economy, we think earnings growth at the required rates inherent in these high multiples will likely prove hard to deliver, resulting in the future potential for significant investor disappointment.

Driven, in part, by the tremendous run-up in tech stock valuations, market multiples overall are also getting precariously high. As can be seen in Figure 1, in mid-November of 2017, prior to the run-up of the last eight weeks, the median stock in the S&P 500 already traded at the 98th historical percentile. Small-cap valuations were also near record highs in November, as can be seen by Figure 2, which looked at valuation multiples of the Russell 2000 Index relative to history. Bank of America analyst Dan Suzuki concluded that "small caps are now more expensive than they were at the peak of the Tech Bubble."

Figure 1: S&P 500 Valuation Summary

S&P 500 Valuation Summary as of November 17, 2017				
	Aggregate Index		Median Stock	
	Current	Historical %ile	Current	Historical %ile
P/E to growth (PEG)	1.3x	81	1.8x	100
Forward P/E	18.1x	89	18.3x	97
EV/Sales	2.3x	96	2.9x	100
EV/EBITDA	11.7x	88	11.9x	98
Price/Book	3.3x	87	3.4x	99
Free cash flow yield	4.1%	55	4.2%	55
Median metric		88		98

Note: Long-Term average based on data since 1976 for all metrics other than PEG ration (1982) and free cash flow yield (1990).

Source: Compustat, First Call, IBES, FactSet, Goldman Sachs Global Investment Research. Data is as of November 17, 2017

Figure 2: Absolute valuations for the Russell 2000

	Absolute Valuation				% Difference From		
Valuation Metric	As of Nov-17	Max	Min	Long-Term Median	Max	Min	Long-Term Median
P/E (Trailing Excluding Negative Earnings)	24.37	24.37	10.47	18.25	0.0%	132.8%	33.5%
P/E (On I/B/E/S Forecast)	19.30	19.87	8.38	15.23	-2.9%	130.5%	26.7%
Price/Book	2.46	2.90	1.12	2.03	-15.4%	119.8%	20.7%
Price/Sales	1.74	1.74	0.40	1.14	0.0%	335.8%	53.1%
P/E to Growth	1.53	1.53	0.53	0.90	0.0%	187.5%	70.5%

The valuation data are for the Russell 2000 going back to 1985.

Source: BofA Merrill Lynch US Equity&Quant Strategy, Russell Investment Group, I/B/E/S, Compustat. Data is as of November 17, 2017 .

At the Aegis Value Fund, we endeavor to deliver competitive returns by investing our capital in securities where we have less competition and thereby better a prospect for good returns. We are also focused very intensely on risk management. While conventional investors today typically often use recent price volatility as a proxy for an investment's inherent risk, we take a different approach, viewing company valuation multiples as a much better risk proxy when working to minimize the prospect of permanent capital loss. As such, we will often buy into segments of the market where capital is scarce and valuations are low, even though these areas have demonstrated historic price volatility, scaring conventional investors away. With under $150 million in assets, we also believe we have the flexibility to allocate capital into smaller, diligently researched special situations that are often too small to merit inclusion in most passive indices or even most active funds. Many of these smaller stocks can experience higher levels of short-term price volatility unrelated to fundamentals as trading liquidity can vary dramatically through time. In recent years, we've also been able to take advantage of buying or selling pressure arising as certain companies are either added to or expelled from the passive indices, which typically results in forced trading by price-insensitive passive funds seeking merely to replicate the indices. But perhaps most importantly, we have the ability and willingness to hold higher levels of cash when companies with good risk/reward prospects are difficult to acquire, a flexibility unavailable to index funds which generally must always be fully invested.

Our intense focus on valuation in an effort to mitigate risk of capital loss and optimize prospects for return can be seen in Figure 3, where the price-to-book multiple of the Aegis Value Fund is compared with that of the S&P 500 Index. At year-end, the Aegis Value Fund traded at just under 0.9 times book value, less than a third of the valuation of the S&P 500, which traded at 3.3 times book value. Given the valuation disparity, investors should consider that the S&P Index requires a sustainable return on equity 3.7 times that of the Fund in order to drive an equivalent earnings yield to investors — not an easy task.

The Fund also continues to invest in precious metals mining stocks, which we believe continue to be spurned by most conventional investors on account of their high historic volatility. Yet after the massive 86 percent decline in the Market Vectors Junior Gold Mining Index between 2011 and the end of 2015, we concluded that much of the speculative froth had been washed away from the sector. At year-end the Fund held approximately 22.8 percent of its assets in 18 different precious metals mining stocks. As a whole, our significant precious metals and mining positions performed quite nicely over the year, adding 4.0 percentage points to Fund returns, building on excellent gains earned in this sector in 2016. We continue to believe the segment offers attractive risk-adjusted returns. While gold's 13.5 percent rise in 2017 has certainly put the wind at the back of many of these investments, we originally approached these equities with the thesis that company-specific developments would drive results and generate stock gains, even in a stagnant gold market. Yet we also believe the precious metals mining segment offers portfolio managers an intriguing portfolio hedge should inflationary expectations begin to accelerate. Under such a scenario, we see the potential for underlying gold prices and commensurately the Fund's gold mining investments to move significantly higher. With so much world central bank digital money printing over the last several years, this prospect may not be as remote as the market currently thinks.

We are now working diligently to find new investments to replace those that we've recently trimmed back or exited. Given the overwhelmingly positive investor sentiment prevalent in the market today, finding bargains is no easy task. As can be seen in Figure 4, the number of domestic stocks on our low price-to-book watchlist recently dropped to 191, close to a 10-year low. Furthermore, the quality of most stocks on our watchlist today does not strike us as particularly compelling. As a result, pending our identification of additional investment opportunities meeting our stringent risk/reward criteria, we do intend to hold higher levels of cash. In the fourth quarter, our liquidations drove cash levels to approximately 18.6 percent of Fund assets. Given the market's extraordinarily high valuation levels, we believe the opportunity cost of holding higher cash levels is likely to prove to be fairly low.

Figure 3: Aegis Value Fund and S&P 500 Index Historical Price-to-Book Ratio

Source: Aegis Financial Corp and Bloomberg (Data from 9/30/1998 to 12/31/2017)

Figure 4: Number of Stocks Selling Below Tangible Book Value (Market Cap. Greater Than $70 Mil)

Source: U.S. public equity market statistics from Stock Investor Pro (Data from 4/30/2002 to 12/31/2017)

Going forward, we believe that there are several potential fault lines that may drive a significant uptick in the number of future investment candidates. The United States Federal Reserve continues to hike interest rates and in recent months has begun to slowly reverse the huge amounts of quantitative easing done in previous years. This activity is slowly accelerating. Foreign central banks also now appear to be pulling back on their monetary stimulus. Should inflation begin to rise, the Fed may be forced to increase rates and shrink its balance sheet more rapidly than is currently expected, leading to sizeable market losses and potentially forced selling by bondholders, many of whom are highly levered. With rising rates, market volatility could increase and broad market valuations could drop significantly, particularly with the priced-to-perfection technology leaders. China could also experience a banking crisis after rapidly expanding its banking system in recent years. Global debt recently hit a record $233 trillion, up $50 trillion over the last 10 years. It is unclear how the high level of global debt might be repaid without creating significant economic dislocations. It is also unclear how the Eurozone currency union can stay together over the long-run without a political union. There is also an increasing risk that damaging trade wars could erupt following the decline in political support towards free trade in the United States. And the brutal totalitarian dictatorship of North Korean now has nuclear weapons. Suffice it to say that we don't view this macro set-up as conducive to the continuation of low market volatility. In fact, we worry that the subdued volatility of recent years, arguably suppressed by central bank money printing, may have likely set the market up for turmoil in future years. Claudio Borio, Chief Economist at the Bank of International Settlements recently remarked similarly:

The vulnerabilities that have built around the globe during the long period of unusually low interest rates have not gone away. High debt levels, in both domestic and foreign currency, are still there – and so are frothy valuations. What's more, the longer the risk-taking continues, the higher the underlying balance sheet exposures become. Short-run calm comes at the expense of possible long-run turbulence.

While the market overall may be very fully valued, we believe our portfolio is not. We continue to own a portfolio of diligently-researched securities that we believe offers a risk/reward profile among the most opportunistic in the market today. We continue to work to identify and purchase good investments. However, when we are unable to find securities meeting our stringent investment criteria, we will not hesitate to hold cash, particularly given today's market valuations. At year-end, employees and their families owned more than $25 million of Fund shares. We continue to carefully monitor the portfolio and the markets for emerging risks. Should you have any questions, our shareholder services reps are available at (800) 528-3780. You are also welcome to call me personally at any time at (571) 250-0051.

Sincerely,

Scott L. Barbee
Portfolio Manager
Aegis Value Fund

Please see the following page for important information.

AEGIS FUNDS

The Aegis Value Fund is offered by prospectus only. Investors should carefully consider the investment objectives, risks, charges and expenses of the fund. The Statutory and Summary Prospectuses contain this and other information about the Fund and should be read carefully before investing. To obtain a copy of the Fund's Prospectus please call 1- 800-528-3780 or visit our website www.aegisfunds.com, where an on-line version is available.

Mutual fund investing involves risk. Principal loss is possible. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. Investments in smaller and mid-cap companies involve additional risks such as limited liquidity and greater volatility. Investment concentration in a particular sector involves risk of greater volatility and principal loss. Value stocks may fall out of favor with investors and underperform growth stocks during given periods.

The Fund's top ten holdings are Alliance One International Inc., Amerigo Resources Ltd., Alaska Communications Systems Group Inc., Resolute Forest Products Inc., Fly Leasing Ltd., Geodrill Ltd., WPX Energy Inc., Dundee Precious Metals Inc., Verso Corp., and Endeavour Mining Corporation. As of December 31, 2017, the stocks represent 7.9%, 6.3%, 5.7%, 5.5%, 4.7%, 4.3%, 4.2%, 3.8%, 3.4%, and 3.3%, of total Fund assets respectively. Fund holdings are subject to change and should not be considered a recommendation to buy or sell a security. Current and future portfolio holdings are subject to risk.

Price to Book: A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. Book Value: A company's common stock equity as it appears on a balance sheet. EBITDA: Earnings before interest, taxes, depreciation, and amortization expense. S&P 500 Index: An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Russell 2000 Value Index: measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values. Russell 2000 Index: measures the performance of the small-cap segment of the U.S. equity universe and is constructed to provide a comprehensive and unbiased small-cap barometer. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. Cash Flow: A revenue or expense stream that changes a cash account over a given period. ETF (Exchange-Traded Fund): A security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange. Tangible Book Value: The net asset value of a company, calculated by total assets minus intangible assets (patents, goodwill) and liabilities. **P/E ratio:** the measure of the share price relative to the annual net income earned by the firm per share. **PEG ratio (price/earnings to growth ratio):** a valuation metric for determining the relative trade-off between the price of a stock, the earnings generated per share (EPS), and the company's expected growth. **EV/Sales (Enterprise value/sales):** a financial ratio that compares the total value (as measured by enterprise value) of the company to its sales. **Free cash flow yield:** an overall return evaluation ratio of a stock, which standardizes the free cash flow per share a company is expected to earn against its market price per share. GDXJ Index: Market Vectors Junior Gold Miners ETF intends to provide investors exposure to small-and medium– capitalization companies in the gold and/or silver mining industry. Russell 1000 Index: An index of approximately 1,000 of the largest companies in the U.S. equity market. The Russell 1000 typically comprises approximately 90% of the total market capitalization of all listed U.S. stocks. It is considered a bellwether index for large cap investing. Russell 1000 Growth Index: An index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Price/Sales: A valuation ratio that compares a company's stock price to its revenues and an indicator of the value placed on each dollar of a company's sales or revenues.

Diversification does not guarantee a profit or protect from loss in a declining market.

An investment cannot be made directly in an index.

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