portion of the investment is determined using pro-rata allocation, based on its par value relative to the par value of the entire investment. The unfunded loan commitments are marked daily and any unrealized appreciation/(depreciation) from unfunded commitments is reported in the Statements of Assets and Liabilities as well as the Statements of Operations. When investing in loan participations, the Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the loan participation and only upon receipt of payments by the lender from the borrower. The Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of the loan. In certain circumstances, the Fund may receive a penalty fee upon the prepayment of a loan by a borrower. Fees earned or paid are recorded as a component of interest income or interest expense, respectively, on the Statements of Operations. In addition, loan participations and assignments are vulnerable to market conditions such that economic conditions or other events may reduce the demand for loan participations and assignments, and certain loan participations and assignments which were liquid, when purchased, may become illiquid. As of December 31, 2018 the Funds did not hold any unfunded commitments.

d) Restricted Securities – The Funds may own investment securities that are unregistered or have other legal or contractual limitations, and thus are restricted as to resale. These securities are valued after giving due consideration to pertinent factors, including recent private sales, market conditions and the issuer's financial performance. Where future disposition of these securities requires registration under the Securities Act of 1933, a Fund may have the right to include these securities in such registration, generally without cost to the Fund. A Fund generally has no right to require registration of the unregistered securities it holds. All unregistered securities held at December 31, 2018 met the definition of Rule 144A of the Securities Act of 1933 and can be traded with an institutional investor without registration. The Adviser has determined that as of December 31, 2018, the following Fund's restricted securities to be liquid and illiquid pursuant to the Fund's illiquid and restricted securities guidelines:

	Restricted Securities	
Fund	Illiquid	Liquid
Core Bond Fund	$—	$1,921,368

e) Defaulted Securities – Certain Funds may hold defaulted securities or other securities which were placed in non-accrual status as the collection of a portion or all of the interest has been deemed to be uncollectible. Debt obligations may be placed on non-accrual status and the related interest income, amortization or accretion may be reduced or stopped entirely. Additionally, current income accruals and interest receivables may be written off when the collection of the interest income has become doubtful. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is probable.

f) Sale-buyback and Buy-saleback Transactions – A sale-buyback financing transaction consists of a sale of a security by a Fund to a counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed-upon price and date. The Fund will segregate assets determined to be liquid by the Sub-adviser or will otherwise cover its obligations under sale-buyback transactions.

As of December 31, 2018, the Core Plus Bond Fund participated in sale-buyback transactions. The payable for investments purchased related to sale-buyback transactions were $891,196,107, with an average amount borrowed of $30,673,034 and incurred interest expense of $5,256,926 with a weighted average interest rate of 2.19%.

A buy-saleback lending transaction consists of a purchase of a security by a Fund from a counterparty, with a simultaneous agreement to sell the same or substantially the same security at an agreed-upon price and date. The party who sold the security is not entitled to receive principal and interest payments, if any, made on the security during the term of the agreement. The Fund will segregate assets determined to be liquid by the Sub-adviser or will otherwise cover its obligations under buy-saleback transactions.

During the period, the Core Plus Bond Fund participated in buy-saleback transactions. As of December 31, 2018, there were no outstanding buy-saleback transactions. The average amount borrowed was $7,098,708 and the received interest income was $4,440 with a weighted average interest rate of 1.54%.

Sale-buyback and buy-saleback transactions are governed by Master Securities Forward Transaction Agreements (“Master Forward Agreements”), which are agreements between the Fund and select counterparties. The Master Forward Agreements maintain provisions for, among other things, transaction initiation and confirmation, payment and transfer, events of default, termination and maintenance of collateral. The market value of any pending sale-buyback and buy-saleback transactions as of period end is disclosed in each Fund’s Summary Schedule of Investments.

4. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

a) Investment Valuation Policies – The Net Asset Value (“NAV”) of the Funds’ shares are generally valued as of the close of the regular trading on the New York Stock Exchange (“NYSE”), normally 4:00 p.m. Eastern time, on each day the NYSE is open. The NAV per share of each Fund is computed by dividing the total net assets of the Fund by the total number of shares outstanding. For purposes of calculating the NAV, portfolio securities and derivative instruments are valued using valuation methods adopted by the Trust’s Board of Trustees (the “Board”).

The Board has delegated responsibility for applying approved valuation policies to the Adviser. The Adviser monitors the continual appropriateness of valuation methods applied and determines if adjustments should be made in light of market factor changes and events affecting issuers. The Adviser performs a series of activities to provide reasonable assurance of the accuracy of the prices utilized including: periodic vendor due diligence meetings and reviewing the results of back testing on a monthly basis. The Adviser provides the Board with reporting on the results of the back testing as well as positions which were fair valued during the period.

The Board has approved a Valuation Committee whose function is to monitor the valuation of portfolio securities and derivative instruments and determine in good faith the fair value of the Funds’ holdings after considering all relevant factors. The Valuation Committee is generally responsible for overseeing the day-to-day valuation processes and is authorized to make all necessary determinations to fair value the portfolio securities and other assets for which market quotations are not readily available or if it is deemed that the prices obtained from brokers, dealers or independent pricing services are unreliable.

Additionally, the Board has adopted valuation procedures that allow for the use of fair value pricing in appropriate circumstances. For example, such circumstances may arise when trading in a security has been halted or suspended, when a security has been delisted from a national exchange, when a security has not been traded for an extended period of time, or when a significant event with respect to a security occurs after the close of the market or exchange on which the security principally trades and before the time a Fund calculates its own share price. If there is no price, or in the Adviser’s determination the price provided for a security by an independent pricing agent or broker does not represent fair value, then the security will be fair valued in accordance with procedures adopted by the Board. Thinly traded securities and certain foreign securities may be impacted more by the use of fair valuations than other securities. In using fair value pricing, a Fund attempts to establish the price that it might reasonably have expected to receive upon a sale of the security at 4:00 p.m. Eastern time. Valuing securities at fair value involves greater reliance on judgment than valuation of securities based on readily available market quotations. When using fair value to price securities, a Fund may value those securities higher or lower than another fund using market quotations or fair value to price the same securities. Further, there can be no assurance that the Fund could obtain the fair value assigned to a security if it were to sell the security at approximately the same time at which the Fund determines its net asset value.

b) Fair Value Hierarchy – The Funds have performed an analysis of all existing investments to determine the significance and character of all inputs to their fair value determination. Various inputs are used in determining the value of each Fund's investments. These inputs are summarized in the following three broad categories:

- Level 1 – Inputs using unadjusted quoted prices in active markets or exchanges for identical assets and liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability. Other significant observable market inputs include, but are not limited to, quoted prices for similar instruments in active markets, quoted adjusted prices in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which the majority of significant inputs and significant value drivers are observable in active markets.
- Level 3 – Significant unobservable inputs (including the Fund's own assumptions).

c) Valuation Techniques – Fixed-income securities, including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. Treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds (other than short-term securities) are valued using that day's bid price provided by an independent pricing service. Fixed-income securities are normally valued on the basis of quotes obtained from independent pricing services in accordance with procedures adopted by the Board. Independent pricing services typically use information provided by market makers or estimates of market values obtained from yields and other relevant data relating to investments or securities with similar characteristics. The independent pricing service's internal models use inputs that are observable such as, among other things, issuer details, interest rates, yield curves, prepayment speeds, trade information, market color, credit risks/spreads, default rates and quoted prices for similar assets and the securities' terms and conditions. Securities that use similar valuation techniques and inputs as described above are generally categorized as Level 2 of the fair value hierarchy.

Mortgage- and asset-backed securities are usually issued as separate tranches, or classes, of securities within each package of underlying securities. These securities are also normally valued by pricing service providers that use broker-dealer quotations or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche level attributes, estimated cash flows and market-based yield spreads for each tranche and current market data and packaged collateral performance, as available. Mortgage- and asset-backed securities that use such valuation techniques and inputs are typically categorized as Level 2.

Short-term securities without a vendor price and with 60 days or less remaining to maturity when acquired by a Fund are generally valued on an amortized cost basis, which approximates fair value. These securities are typically categorized as Level 2 in the fair value hierarchy.

Equity securities traded on a national securities exchange are valued at the last reported sale price at the close of regular trading on each day the exchange is open for trading. Securities listed on the NASDAQ National Market System for which market quotations are readily available are valued using the NASDAQ Official Closing Price. These valuations are typically categorized as Level 1 in the fair value hierarchy. Securities traded on an exchange for which there have been no sales are valued at the mean between the last bid and ask price on such day. Securities and financial instruments for which prices are not available from an independent pricing service may be valued using market quotations obtained from one or more dealers that make markets in the respective securities in accordance with procedures adopted by the Board and are classified as Level 2 or Level 3 depending on the observability of inputs.

Certain vendor-priced securities may also be considered Level 3 if significant unobservable inputs are used by the vendors.

Foreign securities, currencies and other assets denominated in currencies other than U.S. dollars are translated to U.S. dollars using exchange rates obtained from independent pricing services. All assets denominated in foreign currencies are converted to U.S. dollars using the applicable currency exchange rates as of the close of the NYSE, generally 4:00 p.m. Eastern time.

Valuation adjustments may be applied to certain common and preferred stocks that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the close of the NYSE. These securities are generally valued using pricing service providers that consider the correlation of the trading patterns of the foreign securities to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy.

Open-ended mutual funds (including money market funds) are valued at the end of the day's net asset value and are categorized as Level 1 of the fair value hierarchy.

Exchange traded financial derivative instruments, such as futures contracts or options contracts that are traded on a national securities or commodities exchange, are valued at the last reported sales or settlement price. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 of the fair value hierarchy. If there was no sale activity, the financial derivative is valued at the mean between the highest bid and lowest ask price on the relevant exchange closest to the close of the NYSE and are categorized as Level 2.

OTC derivatives, including forward foreign currency exchange contracts and swap contracts, are valued by the Funds on a daily basis using observable inputs, such as quotations provided by an independent pricing service, the counterparty, dealers or brokers, whenever available and considered reliable. These securities are typically categorized as Level 2 of the fair value hierarchy.

The U.S. dollar value of forward foreign currency exchange contracts is determined using current forward currency exchange rates supplied by an independent pricing service.

Centrally cleared credit default and interest rate swap contracts are valued daily based on quotations as provided by an independent pricing service. The independent pricing services aggregate valuation information from various market participants to create a single reference value for each credit default swap contract and interest rate swap contract. These securities are typically categorized as Level 2 of the fair value hierarchy.

The Funds value the repurchase agreements they have entered based on the respective contract amounts, which approximate fair value. As such, repurchase agreements are carried at the amount of cash paid plus accrued interest receivable (or interest payable in periods of increased demand for collateral). These securities are typically categorized as Level 2 of the fair value hierarchy.

Quantitative Information

The following tables represent each Fund's valuation inputs as presented in the Summary Schedule of Investments.

Core Bond Fund

	Level 1	Level 2	Level 3	Total
Assets				
Asset-Backed Obligations	$ —	$ 1,949,869,433	$63,258,848	$ 2,013,128,281
Corporate Bonds				
Basic Materials	—	219,301,498	—	219,301,498
Communications	—	306,592,183	—	306,592,183
Consumer, Cyclical	—	258,650,012	4,141,279	262,791,291
Consumer, Non-cyclical	—	622,697,396	—	622,697,396
Diversified	—	9,559,282	—	9,559,282
Energy	—	496,922,231	—	496,922,231
Financials	—	1,969,757,147	60,132	1,969,817,279
Industrials	—	232,834,610	—	232,834,610
Technology	—	192,051,024	—	192,051,024
Utilities	—	461,279,916	—	461,279,916
Government Related	—	3,317,408,900	—	3,317,408,900
Mortgage-Backed Obligations	—	5,739,186,700	20,058,334	5,759,245,034
Preferred Stocks				
Financials	2,268,600	—	—	2,268,600
Short-Term Investments				
Money Market Funds	393,265,912	—	—	393,265,912
U.S. Treasury Bills	—	994,291	—	994,291
Futures Contracts (1)	14,660,560	—	—	14,660,560
Total Assets	**$410,195,072**	**$15,777,104,623**	**$87,518,593**	**$16,274,818,288**
Liabilities				
Futures Contracts (1)	$ 4,051,538	$ —	$ —	$ 4,051,538
Swap Contracts (1)	—	971,556	—	971,556
TBA Sale Commitments	—	9,167,632	—	9,167,632
Total Liabilities	**$ 4,051,538**	**$ 10,139,188**	**$ —**	**$ 14,190,726**

Core Plus Bond Fund

	Level 1	Level 2	Level 3	Total
Assets				
Asset-Backed Obligations	$ —	$ 2,103,220,685	$ —	$ 2,103,220,685
Bank Loans	—	344,583,315	200,000	344,783,315
Corporate Bonds				
Basic Materials	—	120,576,896	—	120,576,896
Communications	—	714,961,600	—	714,961,600
Consumer, Cyclical	—	478,394,378	—	478,394,378
Consumer, Non-cyclical	—	888,953,923	—	888,953,923
Diversified	—	6,815,843	—	6,815,843
Energy	—	491,610,962	—	491,610,962
Financials	—	1,908,288,192	—	1,908,288,192
Industrials	—	327,634,466	—	327,634,466
Technology	—	223,694,658	—	223,694,658
Utilities	—	282,482,134	—	282,482,134
Government Related	—	4,004,544,493	—	4,004,544,493
Mortgage-Backed Obligations	—	3,354,045,206	—	3,354,045,206
Common Stocks				
Communications	—	—	9,588	9,588
Consumer, Cyclical	2,301,695	—	—	2,301,695
Preferred Stocks				
Consumer, Non-cyclical	6,665,743	—	—	6,665,743
Short-Term Investments				
Banker's Acceptances	—	87,700,936	—	87,700,936
Certificate of Deposit	—	250,118	—	250,118
Commercial Paper	—	29,056,991	—	29,056,991
Foreign Treasury Bills	—	418,465,305	—	418,465,305
Repurchase Agreements	—	15,200,000	—	15,200,000
Money Market Funds	257,893,121	—	—	257,893,121
U.S. Treasury Bills	—	6,875,526	—	6,875,526
Futures Contracts [1]	46,194,718	—	—	46,194,718
Forward Foreign Currency Exchange Contracts [1]	—	12,196,974	—	12,196,974
Swap Contracts [1]	—	3,642,475	—	3,642,475
Total Assets	**$313,055,277**	**$15,823,195,076**	**$209,588**	**$16,136,459,941**
Liabilities				
Futures Contracts [1]	$ 986,347	$ —	$ —	$ 986,347
Forward Foreign Currency Exchange Contracts [1]	—	19,512,517	—	19,512,517
Swap Contracts [1]	—	20,108,102	—	20,108,102
Total Liabilities	**$ 986,347**	**$ 39,620,619**	**$ —**	**$ 40,606,966**

Municipal Bond Fund

	Level 1	Level 2	Level 3	Total
Assets				
Municipal Bonds				
Education	$ —	$ 339,241,283	$ —	$ 339,241,283
General Obligation	—	1,008,864,452	—	1,008,864,452
General Revenue	—	1,022,810,502	—	1,022,810,502
Healthcare	—	652,304,478	—	652,304,478
Housing	—	162,891,816	—	162,891,816
Transportation	—	710,951,003	—	710,951,003
Utilities	—	373,004,099	—	373,004,099
Short-Term Investments	47,371,944	—	—	47,371,944
Total Assets	**$ 47,371,944**	**$ 4,270,067,633**	**$ —**	**$ 4,317,439,577**
Liabilities				
Futures Contracts [1]	$ 1,453,873	$ —	$ —	$ 1,453,873
Total Liabilities	**$ 1,453,873**	**$ —**	**$ —**	**$ 1,453,873**

Large Cap Growth Fund

	Level 1	Level 2	Level 3	Total
Assets				
Common Stocks				
Communication Services	$ 617,277,395	$ —	$ —	$ 617,277,395
Consumer Discretionary	948,585,459	16,098,467	—	964,683,926
Consumer Staples	385,617,461	—	—	385,617,461
Energy	133,765,059	—	—	133,765,059
Financials	377,149,641	—	—	377,149,641
Healthcare	973,650,850	—	—	973,650,850
Industrials	334,668,630	3,726,624	—	338,395,254
Information Technology	1,553,290,797	5,146,866	—	1,558,437,663
Materials	180,864,147	—	—	180,864,147
Real Estate	117,272,635	—	—	117,272,635
Rights				
Consumer Staples	—	—	— (2)	—
Short-Term Investments	161,589,809	—	—	161,589,809
Total Assets	**$ 5,783,731,883**	**$ 24,971,957**	**$ —**	**$ 5,808,703,840**

Large Cap Value Fund

	Level 1	Level 2	Level 3	Total
Assets				
Common Stocks				
Communication Services	$ 336,607,673	$ —	$ —	$ 336,607,673
Consumer Discretionary	726,166,744	52,605,143	—	778,771,887
Consumer Staples	546,578,167	—	—	546,578,167
Energy	541,498,048	—	—	541,498,048
Financials	1,283,329,718	—	—	1,283,329,718
Healthcare	966,114,470	—	—	966,114,470
Industrials	884,314,716	—	—	884,314,716
Information Technology	715,120,328	45,197,481	—	760,317,809
Materials	441,673,127	—	—	441,673,127
Real Estate	225,572,876	—	—	225,572,876
Utilities	131,205,176	—	—	131,205,176
Short-Term Investments	291,441,937	—	—	291,441,937
Total Assets	**$ 7,089,622,980**	**$ 97,802,624**	**$ —**	**$ 7,187,425,604**

Small/Mid Cap Growth Fund

	Level 1	Level 2	Level 3	Total
Assets				
Common Stocks				
Communication Services	$ 81,601,675	$ —	$ —	$ 81,601,675
Consumer Discretionary	414,964,413	—	—	414,964,413
Consumer Staples	190,082,389	—	—	190,082,389
Energy	33,729,520	—	—	33,729,520
Financials	308,693,365	—	—	308,693,365
Healthcare	640,061,508	—	—	640,061,508
Industrials	483,005,468	—	—	483,005,468
Information Technology	778,480,837	—	—	778,480,837
Materials	156,833,688	—	—	156,833,688
Real Estate	89,682,837	—	—	89,682,837
Utilities	1,590,143	—	—	1,590,143
Rights				
Healthcare	—	—	1,370	1,370
Materials	—	—	15,475	15,475
Short-Term Investments	71,841,280	—	—	71,841,280
Total Assets	**$ 3,250,567,123**	**$ —**	**$ 16,845**	**$ 3,250,583,968**

Small/Mid Cap Value Fund

	Level 1	Level 2	Level 3	Total
Assets				
Common Stocks				
Communication Services	$ 82,031,010	$ —	$ —	$ 82,031,010
Consumer Discretionary	374,298,870	—	—	374,298,870
Consumer Staples	87,612,311	—	—	87,612,311
Energy	171,724,719	—	—	171,724,719
Financials	958,781,404	—	— (2)	958,781,404
Healthcare	183,892,868	—	—	183,892,868
Industrials	587,513,636	—	—	587,513,636
Information Technology	485,793,849	—	—	485,793,849
Materials	206,934,907	—	—	206,934,907
Real Estate	317,716,770	—	—	317,716,770
Utilities	294,649,914	—	—	294,649,914
Rights				
Healthcare	—	—	189	189
Short-Term Investments	158,718,421	—	—	158,718,421
Total Assets	**$ 3,909,668,679**	**$ —**	**$ 189**	**$ 3,909,668,868**

International Equity Fund

	Level 1	Level 2	Level 3	Total
Assets				
Common Stocks				
Communication Services	$ 46,579,370	$ 719,949,372	$ —	$ 766,528,742
Consumer Discretionary	157,307,089	718,778,615	—	876,085,704
Consumer Staples	97,491,203	729,380,181	—	826,871,384
Energy	52,789,004	415,898,232	—	468,687,236
Financials	121,258,749	1,285,610,301	—	1,406,869,050
Healthcare	225,193,178	705,134,100	—	930,327,278
Industrials	84,840,827	879,765,370	—	964,606,197
Information Technology	292,532,875	594,993,254	—	887,526,129
Materials	16,728,279	210,219,466	—	226,947,745
Real Estate	—	67,024,214	—	67,024,214
Utilities	318,374	217,919,577	—	218,237,951
Preferred Stocks				
Consumer Discretionary	—	17,803,757	—	17,803,757
Consumer Staples	—	601,416	—	601,416
Healthcare	—	129,062	—	129,062
Materials	—	86,694	—	86,694
Short-Term Investments	283,885,650	—	—	283,885,650
Total Assets	**$ 1,378,924,598**	**$ 6,563,293,611**	**$ —**	**$ 7,942,218,209**

(1) Derivative instruments, including futures, total return swap contracts and forward foreign currency exchange contracts are reported at the cumulative unrealized appreciation/(depreciation) of the instrument within the Funds' Summary Schedule of Investments. Credit default swaps and interest rate swaps are reported at market value. Only current day's variation margin is reported within the Statements of Assets and Liabilities for exchange-traded and centrally cleared derivatives.

(2) Includes a security valued at $0.

Below is a roll forward which details the activity of securities in Level 3 during the period ended December 31, 2018:

	Core Bond Fund
Beginning Balance – June 30, 2018	$137,635,565
Purchases	54,938,536
Sales proceeds and paydowns	(84,355,441)
Transfers into Level 3	4,141,279
Transfer out of Level 3	(23,066,423)
Realized gains/(losses), net	31,029
Change in unrealized gains/(losses), net	(1,805,952)
Ending Balance – December 31, 2018	$ 87,518,593

The realized and unrealized gains/(losses) from Level 3 transactions are included with the net realized gain/(loss) on investments and net change in unrealized appreciation/(depreciation) on investments on the Statements of Operations, respectively. The net change in unrealized appreciation/(depreciation) on investments related to Level 3 securities held by the Fund at December 31, 2018 totals $(62,414).

The following provides a general description of the impact of a change in an unobservable input on the fair value measurement and the interrelationship of unobservable inputs, where relevant and significant. Interrelationships may also exist between observable and unobservable inputs (for example, as interest rates rise, prepayment rates decline).

Significant unobservable inputs used by the third-party pricing vendors and broker-dealers generally include prepayment rates, interest rates, probability of default and loss severity in the event of default. Significant increases/(decreases) in any of those inputs in isolation could result in a significantly higher/lower fair value measurement. Generally, a change in the assumption used for the probability of default is accompanied by a directionally similar change in the assumption used for the loss severity and a directionally opposite change in the assumption used for prepayment rates.

Additionally, third-party pricing vendors and broker-dealers could use market activity related to comparable securities to supplement the inputs noted above. Usually, an increase/(decrease) in the price of a comparable bond would result in a higher/lower fair value measurement.

The following table presents information about unobservable inputs related to the Funds' categories of Level 3 investments as of December 31, 2018:

Quantitative Information about Level 3 Fair Value Measurements*

Core Bond Fund

Investment Type	Fair Value at 12/31/18	Valuation Methodology	Unobservable Inputs	Input Value/Range	Weighted Average
Corporate Bonds	$60,132	Cost Basis less illiquidity discount	Discount for lack of marketability	10%	10%

* The table above does not include Level 3 securities that are valued by pricing vendors or brokers. At December 31, 2018, the value of these securities was $87,458,461 for the Core Bond Fund. The inputs for these securities are not readily available or cannot be reasonably estimated and are generally those inputs described in Note 4. The appropriateness of fair values for these securities is monitored on an ongoing basis which may include results of back testing, results of pricing vendor and/or broker due diligence, unchanged price review and consideration of macro or security specific events.

5. DERIVATIVE INSTRUMENTS

Certain Funds use derivative instruments as part of their investment strategy to achieve their stated investment objective. The Funds' derivative contracts held at period end are not accounted for as hedging instruments under GAAP. For financial reporting purposes, the Funds do not offset derivative assets and derivative liabilities across derivative types that are subject to master netting arrangements in the Statements of Assets and Liabilities. There were no financial instruments subject to a netting agreement for which the Funds are not currently netting.

The following table lists the fair value of derivative instruments held by the Funds, by primary underlying risk and contract type, as included in the Statements of Assets and Liabilities at period end.

	Assets			Liabilities		
	Unrealized Appreciation on Futures Contracts*	Swaps at Value*	Unrealized Appreciation on Forward Foreign Currency Exchange Contracts	Unrealized Depreciation on Futures Contracts*	Swaps at Value*	Unrealized Depreciation on Forward Foreign Currency Exchange Contracts
Interest Rate Risk:						
Core Bond Fund	$14,660,560	$ —	$ —	$(4,051,538)	$ (971,556)	$ —
Core Plus Bond Fund	46,194,718	3,641,917	—	(986,347)	(12,499,516)	—
Municipal Bond Fund	—	—	—	(1,453,873)	—	—
Foreign Exchange Risk:						
Core Plus Bond Fund	—	—	12,196,974	—	—	(19,512,517)
Credit Risk:						
Core Plus Bond Fund	—	558	—	—	(7,608,586)	—

* May include cumulative unrealized appreciation/(depreciation) as reported on the Summary Schedule of Investments. Only current day's variation margin is reported on the Statements of Assets and Liabilities for exchange traded derivatives and centrally cleared derivatives.

The following table lists the effect of derivative instruments held by the Funds, by primary underlying risk and contract type, on the Statements of Operations for the period ended December 31, 2018.

	Realized Gain/(Loss) on Derivatives recognized as a result of Operations			Net Change in Unrealized Appreciation / (Depreciation) on Derivatives recognized as a result of Operations		
	Futures Contracts	Forward Foreign Currency Exchange Contracts	Swaps	Futures Contracts	Forward Foreign Currency Exchange Contracts	Swaps
Interest Rate Risk:						
Core Bond Fund	$ (2,701,101)	$ —	$ (3)	$ 4,713,825	$ —	$(972,169)
Core Plus Bond Fund	(14,088,682)	—	(2,012,249)	40,504,000	—	703,245
Municipal Bond Fund	94,020	—	—	(1,453,873)	—	—
Foreign Exchange Risk:						
Core Plus Bond Fund	—	16,942,360	—	—	(15,179,688)	—
Credit Risk:						
Core Plus Bond Fund	—	—	1,700,414	—	—	(282,499)

The following tables present the Funds' gross OTC derivative assets and liabilities by counterparty and contract type, net of amounts available for offset under a master netting agreement and the related collateral received or pledged by the Funds as of December 31, 2018:

Core Plus Bond Fund

Counterparty	Investment Type	Gross Amounts of Recognized Assets Presented in the Statements of Assets & Liabilities	Gross Amounts Available for Offset	Net Amounts	Gross Amounts not offset in the Statements of Assets & Liabilities: Financial Instruments	Gross Amounts not offset in the Statements of Assets & Liabilities: Collateral Received	Net Amount
Citigroup Global Markets	Forward Foreign Currency Exchange Contracts	$ 198,664	$ (198,664)	$ —	$ —	$ —	$ —
Deutsche Bank	Forward Foreign Currency Exchange Contracts	324,441	—	324,441	—	—	324,441
Goldman Sachs	Forward Foreign Currency Exchange Contracts	319,336	(5,786)	313,550	—	(313,550)	—
J.P. Morgan	Forward Foreign Currency Exchange Contracts	10,485,557	(10,485,557)	—	—	—	—
Merrill Lynch	Forward Foreign Currency Exchange Contracts	98,999	(98,999)	—	—	—	—
Morgan Stanley	Forward Foreign Currency Exchange Contracts	769,977	(769,977)	—	—	—	—
Total Financial Instruments Subject to a Master Netting Arrangement or Similar Arrangement		12,196,974	(11,558,983)	637,991	—	(313,550)	324,441

Counterparty	Investment Type	Gross Amounts of Recognized Liabilities Presented in the Statements of Assets & Liabilities	Gross Amounts Available for Offset	Net Amounts	Gross Amounts not offset in the Statements of Assets & Liabilities: Financial Instruments	Gross Amounts not offset in the Statements of Assets & Liabilities: Collateral Pledged	Net Amount
Citigroup Global Markets	Forward Foreign Currency Exchange Contracts	$263,242	$(198,664)	$ 64,578	$ —	$ —	$ 64,578
Deutsche Bank	Credit Default Swap Contracts	222,841	—	222,841	—	—	222,841

Counterparty	Investment Type	Gross Amounts of Recognized Liabilities Presented in the Statements of Assets & Liabilities	Gross Amounts Available for Offset	Net Amounts	Gross Amounts not offset in the Statements of Assets & Liabilities: Financial Instruments	Gross Amounts not offset in the Statements of Assets & Liabilities: Collateral Pledged	Net Amount
Goldman Sachs	Credit Default Swap Contracts	$ 1,615,301	$ —	$ 1,615,301	$—	$—	$ 1,615,301
Goldman Sachs	Forward Foreign Currency Exchange Contracts	5,786	(5,786)	—	—	—	—
Goldman Sachs	Total Return Swap Contracts	2,126,304	—	2,126,304	—	—	2,126,304
J.P. Morgan	Credit Default Swap Contracts	2,234,500	—	2,234,500	—	—	2,234,500
J.P. Morgan	Forward Foreign Currency Exchange Contracts	14,316,450	(10,485,557)	3,830,893	—	—	3,830,893
J.P. Morgan	Total Return Swap Contracts	3,553,735	—	3,553,735	—	—	3,553,735
Merrill Lynch	Credit Default Swap Contracts	472,221	—	472,221	—	—	472,221
Merrill Lynch	Forward Foreign Currency Exchange Contracts	303,154	(98,999)	204,155	—	—	204,155
Morgan Stanley	Credit Default Swap Contracts	681,566	—	681,566	—	—	681,566
Morgan Stanley	Forward Foreign Currency Exchange Contracts	4,594,982	(769,977)	3,825,005	—	—	3,825,005
State Street	Forward Foreign Currency Exchange Contracts	28,057	—	28,057	—	—	28,057
UBS	Forward Foreign Currency Exchange Contracts	846	—	846	—	—	846
Total Financial Instruments Subject to a Master Netting Arrangement or Similar Arrangement		30,418,985	(11,558,983)	18,860,002	—	—	18,860,002

The Funds' average monthly notional amount of derivatives during the period ended December 31, 2018 were as follows:

	Core Bond Fund	Core Plus Bond Fund*	Municipal Bond Fund
Futures Contracts			
Average Notional Balance – Long	$ 749,458,646	$2,232,391,767	$ —
Average Notional Balance – Short	(197,891,508)	(225,688,023)	(22,914,297)
Forward Foreign Currency Exchange Contracts			
Average Amounts – Purchased	—	998,410,766	—
Average Amounts – Sold	—	(402,049,980)	—
Credit Default Swaps			
Average Amounts – Buy Protection	—	28,069,000	—
Average Amounts – Sell Protection	—	(215,652,333)	—
Interest Rate Swaps			
Average Amounts – Pays Fixed Rate	15,945,000	289,416,667	—
Average Amounts – Receives Fixed Rate	—	(511,600,000)	—
Total Return Swaps			
Average Amounts – Long	—	170,000,000	—
Average Amounts – Short	—	—	—

* Notional amounts shown have been converted to USD.

6. FEES AND OTHER TRANSACTIONS WITH AFFILIATES

The Adviser acts as investment adviser to the Funds pursuant to an investment advisory agreement (the "Advisory Agreement") with the Trust. The Adviser is a wholly owned subsidiary of The Jones Financial Companies, L.L.L.P. Under the Advisory Agreement, the Adviser furnishes, at its own expense, all services, facilities and personnel necessary in connection with managing the Funds' investments.

The Adviser provides the Trust with such investment research, advice and investment supervision as the Trust may from time to time consider necessary for the proper management of the assets of the Funds, and furnishes continuously an investment program for the Funds. In fulfilling this obligation, the Adviser, among other things, recommends the hiring and termination of, and monitors the ongoing performance of, one or more investment advisers (the "Sub-advisers") and allocates Fund assets among the Sub-advisers.

In consideration of the services provided by the Adviser pursuant to the Advisory Agreement, the Funds pay the Adviser an investment advisory fee at an annual rate based on a percentage of each Fund's average daily net assets. In an effort to pass along lower fund expenses to shareholders, the Adviser does not retain any portion of the advisory fees. The Adviser has contractually agreed to waive its advisory fees for each Fund to the extent advisory fees paid to the Adviser exceed the aggregate advisory fees the Fund is required to pay its Sub-advisers. The annual advisory fee and amounts of advisory fees waived by the Adviser during the period ended December 31, 2018 are noted in the table below:

Fund	Annual Management Fee	Management Fees Waived by Adviser
Core Bond Fund	0.32%	$(16,680,097)
Core Plus Bond Fund	0.36	(16,118,907)
Municipal Bond Fund	0.36	(4,142,839)
Large Cap Growth Fund	0.44	(7,463,981)
Large Cap Value Fund	0.44	(8,117,671)
Small/Mid Cap Growth Fund	0.64	(4,959,747)
Small/Mid Cap Value Fund	0.64	(5,097,445)
International Equity Fund	0.60	(11,449,237)

None of the advisory fees waived by the Adviser pursuant to the agreement described above are subject to recoupment by the Adviser.

The Adviser has selected and the Board has approved the following Sub-advisers to sub-advise discrete portions of each of the Fund's assets:

Fund	Sub-advisers
Core Bond Fund	Robert W. Baird & Co., Inc. J.P. Morgan Investment Management, Inc. Loomis, Sayles & Company, L.P. PGIM, Inc.
Core Plus Bond Fund	Pacific Investment Management Company LLC Loomis Sayles & Company, L.P. Metropolitan West Asset Management, LLC T. Rowe Price Associates, Inc.
Municipal Bond Fund	FIAM, LLC T. Rowe Price Associates, Inc. Wells Capital Management, Inc. BlackRock Investment Management, LLC
Large Cap Growth Fund	Lazard Asset Management LLC Sustainable Growth Advisers, LP Jennison Associates LLC BlackRock Investment Management, LLC
Large Cap Value Fund	Barrow, Hanley, Mewhinney & Strauss, LLC Wellington Management Company LLP Artisan Partners Limited Partnership BlackRock Investment Management, LLC
Small/Mid Cap Growth Fund	Champlain Investment Partners, LLC ClearBridge Investments, LLC Eagle Asset Management, Inc. Stephens Investment Management Group, LLC BlackRock Investment Management, LLC
Small/Mid Cap Value Fund	Boston Partners Global Investors, Inc. Vaughan Nelson Investment Management, L.P. Silvercrest Asset Management Group LLC Advisory Research, Inc. BlackRock Investment Management, LLC LSV Asset Management MFS Investment Management Diamond Hill Capital Management, Inc.
International Equity Fund	Baillie Gifford Overseas Limited Edinburgh Partners Limited Manning & Napier Advisors, LLC Mondrian Investment Partners Limited WCM Investment Management BlackRock Investment Management, LLC Pzena Investment Management, LLC

Subject to the supervision of the Adviser, the Sub-advisers provide the Funds, among other services, a continuous investment program and determine from time to time which securities or other investments shall be purchased, sold or exchanged for the Funds, including providing or obtaining such services as may be necessary in managing, acquiring or disposing of securities, cash or other investments. For their services as Sub-advisers to the Funds, each Sub-adviser is entitled to receive fees directly from each Fund it serves.

Pursuant to an operating expense limitation agreement between the Adviser and the Funds, effective until October 28, 2019, the Adviser has contractually agreed to reduce its fees and/or pay Fund expenses (excluding acquired fund fees and expenses, portfolio transaction expenses, interest expense in connection with investment activities, taxes and non-routine expenses) to limit total annual fund operating expenses after fee waivers and/or expense reimbursements to each of the amounts listed below (each an "Expense Cap").

Fund	Expense Cap
Core Bond Fund	0.48%
Core Plus Bond Fund	0.42
Municipal Bond Fund	0.48
Large Cap Growth Fund	0.51
Large Cap Value Fund	0.51
Small/Mid Cap Growth Fund	0.73
Small/Mid Cap Value Fund	0.73
International Equity Fund	0.67

The Trust has agreed to repay the expense reimbursement to the Adviser. However, the repayment of previously waived expenses is limited to amounts that do not cause the aggregate operating expenses of the Fund to exceed the current expense cap or the expense cap in place at the time the waiver was generated. The Adviser has up to three fiscal years from the time the expenses were reimbursed to request reimbursement from a Fund. During the period ended December 31, 2018, the Funds did not exceed the Expense Cap, and there are no expense reimbursements currently available for recoupment in future periods.

Administrator – U.S. Bancorp Fund Services, LLC, d/b/a U.S. Bank Global Fund Services ("Fund Services") acts as the Trust's administrator (the "Administrator") pursuant to an administration agreement. Fund Services provides certain administrative services to the Trust, including, among other responsibilities, fund accounting and certain compliance services. For these services, the Funds pay the administrator monthly, a fee accrued daily and based on average daily net assets. The Funds may also reimburse the Administrator for such out-of-pocket expenses as incurred by the Administrator in the performance of its duties. The amounts paid directly to the Administrator by the Funds for administrative services are included in the Administration fee in the Statements of Operations.

Custodian – U.S. Bank National Association is the custodian (the "Custodian") for the Trust in accordance with a custodian agreement. Custodian fees are paid monthly and based on assets held in custody, investment purchases and sales activity and account maintenance fees, plus reimbursement for certain out-of-pocket expenses. The amounts paid directly to the Custodian by the Funds for custody services are included in Custody fees in the Statements of Operations.

Trustees – Trustee fees and expenses displayed in the Statements of Operations include amounts accrued by the Funds to pay remuneration to each Trustee who is not an "interested person" as defined by the 1940 Act (an "Independent Trustee") of the Trust. The Trustees who are not Independent Trustees of the Trust are not compensated by the Trust.

Affiliated Transactions – The Funds may participate in purchase and sale transactions with other Funds or accounts that have a common investment adviser or Sub-adviser, commonly referred to as "cross trades." These cross trades are executed in accordance with procedures adopted by the Trust's Board and comply with Rule 17a-7 of the 1940 Act, which require, among other things, that such cross trades be effected at the independent current market price of the security. During the period ended December 31, 2018, the aggregate value of purchases and sales cross trades with other Funds or accounts were as follows:

	Purchases	Sales
Core Plus Bond Fund	$ 2,982,853	$ —
Large Cap Growth Fund	2,354,381	1,306,769
Large Cap Value Fund	18,969,815	1,676,821
Small/Mid Cap Growth Fund	677,311	4,340,865
Small/Mid Cap Value Fund	2,048,317	1,546,773
International Equity Fund	14,889,986	19,772,767

7. LINE OF CREDIT ARRANGEMENT

The Trust is a party to an unsecured, uncommitted line of credit agreement with U.S. Bank, N.A., expiring June 28, 2019. The arrangement allows the Funds to borrow for temporary purposes to meet large or unexpected redemptions. The Funds collectively may borrow up to $200 million. Interest is charged on borrowings at the prevailing prime rate minus one and one-half percent and is reflected as interest expense on the Statements of Operations. The Funds are not subject to any commitment fees under this arrangement. The Funds did not have any outstanding borrowings under this agreement during the period ended December 31, 2018.

8. INTERFUND LENDING AGREEMENT

On June 1, 2016, the Funds received exemptive relief from the SEC to enter into a master interfund lending agreement with each other that permits each Fund to lend money directly to and borrow money directly from other Funds for temporary purposes. Each Fund may lend to another Fund, in aggregate, up to 15% of its current net assets at the time of the loan and a Fund's loans, in aggregate, to any one Fund under the agreement may not exceed 5% of the lending Fund's net assets. A loan under the agreement will not exceed duration of seven days and interest is charged on borrowings at a rate determined based on current short-term market interest rates and short-term lending rates available to the Funds. As of December 31, 2018, the Funds have yet to lend under this agreement.

9. INVESTMENT TRANSACTIONS

For the period ended December 31, 2018, purchases and sales of investment securities, other than short-term investments, were as follows:

	Core Bond Fund	Core Plus Bond Fund	Municipal Bond Fund	Large Cap Growth Fund	Large Cap Value Fund	Small/Mid Cap Growth Fund	Small/Mid Cap Value Fund	International Equity Fund
Purchases:								
U.S. Government	$10,915,104,722	$19,129,898,653	$ —	$ —	$ —	$ —	$ —	$ —
Other	2,586,219,568	4,656,485,717	2,167,544,839	1,046,991,464	1,779,861,848	333,869,013	1,173,281,293	2,015,000,772
Sales:								
U.S. Government	10,816,089,058	17,240,177,857	—	—	—	—	—	—
Other	2,238,916,741	1,837,489,147	1,188,766,031	901,812,190	911,214,887	314,037,773	789,337,524	553,657,949

10. FEDERAL INCOME TAX INFORMATION

GAAP requires that certain components of net assets be reclassified between financial and tax reporting. Temporary differences do not require reclassification. Temporary and permanent differences have no effect on net assets or net asset value per share. For the period ended June 30, 2018, the Funds made the following permanent book-to-tax reclassifications primarily related to the treatment of foreign currency, partnership taxable income, passive foreign investment company sales adjustments, paydowns, dividend redesignations and difference between book and tax accretion methods for market premium:

	Undistributed Net Investment Income/(Loss)	Accumulated Net Realized Gain/(Loss)	Paid-In Capital
Core Bond Fund	$11,247,138	$(11,247,138)	$—
Core Plus Bond Fund	4,783,155	(4,783,155)	—
Municipal Bond Fund	—	—	—
Large Cap Growth Fund	(1,698)	1,698	—
Large Cap Value Fund	(1,071,316)	1,071,316	—
Small/Mid Cap Growth Fund	389,946	(389,946)	—
Small/Mid Cap Value Fund	58,724	(58,724)	—
International Equity Fund	(1,313,133)	1,313,133	—

At June 30, 2018, gross unrealized appreciation and (depreciation) of investments and derivative contracts based on cost for federal income tax purposes were as follows:

	Core Bond Fund	Core Plus Bond Fund	Municipal Bond Fund	Large Cap Growth Fund	Large Cap Value Fund	Small/Mid Cap Growth Fund	Small/Mid Cap Value Fund	International Equity Fund
Tax cost of Portfolio	$16,713,812,781	$12,238,019,217	$3,441,486,218	$5,039,606,506	$6,321,548,012	$2,952,566,821	$3,736,300,820	$6,997,676,842
Gross Unrealized Appreciation	$ 79,921,895	$ 48,854,796	$ 26,806,514	$1,184,755,724	$1,039,522,414	$ 779,114,481	$ 622,188,548	$ 888,190,074
Gross Unrealized Depreciation	(291,958,486)	(195,976,049)	(27,686,614)	(132,221,240)	(284,593,416)	(122,780,145)	(183,677,024)	(413,070,860)
Net Unrealized Appreciation / (Depreciation)	$ (212,036,591)	$ (147,121,253)	$ (880,100)	$1,052,534,484	$ 754,928,998	$ 656,334,336	$ 438,511,524	$ 475,119,214

The differences between book basis and tax basis appreciation/(depreciation) on investments is primarily attributable to wash sale loss deferrals, and differences in the tax treatment of mark to market on passive foreign investment companies, mark to market on derivatives, non-REIT return of capital, outstanding partnership basis and the amortization of premiums.

As of June 30, 2018, the components of accumulated earnings/(losses) on a tax basis were as follows:

	Core Bond Fund	Core Plus Bond Fund	Municipal Bond Fund	Large Cap Growth Fund	Large Cap Value Fund	Small/Mid Cap Growth Fund	Small/Mid Cap Value Fund	International Equity Fund
Accumulated Capital and Other Losses	$ (71,132,978)	$ (94,764,935)	$(7,294,872)	$ —	$ —	$ —	$ —	$ —
Other Gains / (Losses)	(1,467,307)	(823,567)	(24,307)	(4,029)	(2,545)	(248)	—	(18,575)
Undistributed Net Ordinary Income	372,135	11,496,213	—	53,014,693	2,198,393	35,887,777	25,763,831	130,518,683
Undistributed Tax-Exempt Income	—	—	340,458	—	—	—	—	—
Undistributed Long-Term Capital Gain	—	—	—	171,200,520	38,911,413	107,713,104	97,562,399	74,686,300
Unrealized Appreciation/ (Depreciation)	(212,036,591)	(147,121,253)	(880,100)	1,052,534,484	754,928,998	656,334,336	438,511,524	475,119,214
Total Accumulated Gain/ (Loss)	$(284,264,741)	$(231,213,542)	$(7,858,821)	$1,276,745,668	$796,036,259	$799,934,969	$561,837,754	$680,305,622

The differences between book basis and tax basis components of net assets are primarily attributable to wash sale loss deferrals and other book and tax differences including paydowns, organizational costs, straddle loss deferrals, and capital loss carryforwards.

At June 30, 2018, the Funds had the following capital loss carryforwards. The capital loss carryforwards do not have an expiration date and will retain their character as either short-term or long-term capital losses. The ability to utilize capital loss carryforwards in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

	Capital Loss Carryforwards
Core Bond Fund	$71,132,978
Core Plus Bond Fund	94,764,935
Municipal Bond Fund	7,294,871
Large Cap Growth Fund	—
Large Cap Value Fund	—
Small/Mid Cap Growth Fund	—
Small/Mid Cap Value Fund	—
International Equity Fund	—

At June 30, 2018, the Funds did not defer, on a tax basis, any post-October capital losses or late-year ordinary losses.

The tax character of distributions paid by the Funds during the fiscal periods ended June 30, 2018 and June 30, 2017 were as follows:

	Core Bond Fund		Core Plus Bond Fund		Municipal Bond Fund		Large Cap Growth Fund	
	2018	2017	2018	2017	2018	2017	2018	2017
Distributions paid from:								
Net Ordinary Income (1)	$415,158,732	$349,650,342	$234,531,198	$143,426,455	$ 828,001	$ 2,649,832	$41,291,958	$27,066,103
Tax-Exempt Income	—	—	—	—	63,301,187	40,713,891	—	—
Net Long-Term Capital Gains	—	10,835,355	—	1,478,345	—	176,449	—	—
Return of Capital	—	—	—	—	—	—	—	—
Total Distributions Paid	$415,158,732	$360,485,697	$234,531,198	$144,904,800	$64,129,188	$43,540,172	$41,291,958	$27,066,103

	Large Cap Value Fund		Small/Mid Cap Growth Fund		Small/Mid Cap Value Fund		International Equity Fund	
	2018	2017	2018	2017	2018	2017	2018	2017
Distributions paid from:								
Net Ordinary Income (1)	$114,323,830	$65,546,222	$18,817,616	$6,879,324	$42,170,781	$19,093,726	$104,606,458	$49,670,345
Tax-Exempt Income	—	—	—	—	—	—	—	—
Net Long-Term Capital Gains	30,311,007	—	13,939,090	—	2,212,232	—	24,280,569	—
Return of Capital	—	—	—	—	—	—	—	—
Total Distributions Paid	$144,634,837	$65,546,222	$32,756,706	$6,879,324	$44,383,013	$19,093,726	$128,887,027	$49,670,345

(1) Net Ordinary Income includes net short-term capital gains, if any.

11. RISKS

Investing in the Funds may involve certain risks including, but not limited to, those described below. Please refer to the Funds' prospectus and statement of additional information for more information on risks associated with investing in the Funds.

a) Interest Rate Risk – Certain Funds invest in fixed-income securities that change in value based on changes in interest rates. If rates increase, the value of these investments generally declines. Alternatively, if rates fall, the value of these investments generally increases. Current market conditions may pose heightened risks for the Funds. A rise in interest rates may, in turn, increase volatility and reduce liquidity in the fixed-income markets and result in a decline in the value of the fixed-income investments held by the Funds. The value of a fixed-income security with greater duration will be more sensitive to changes in interest rates than a similar security with shorter duration. Duration is a measure of the sensitivity of the price of a fixed-income security (or a portfolio of fixed-income securities) to changes in interest rates. The prices of fixed-income securities with shorter duration generally will be less affected by changes in interest rates than the prices of fixed-income securities with greater duration. For example, a five-year duration means the fixed-income security is expected to decrease in value by 5% if interest rates rise 1% and increase in value by 5% if interest rates fall 1%, holding other factors constant. Usually, the changes in the value of fixed-income securities will not affect cash income generated, but may affect the value of an investment in the Fund. Floating rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the benchmark rate chosen, frequency of reset and reset caps or floors, among other things). Zero coupon bonds have longer durations than coupon-bearing bonds with comparable maturities and generally experience greater volatility in response to changing interest rates. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed bonds may experience greater losses than other fixed-income securities with similar durations.

b) Liquidity Risk – Low trading volume, a lack of a market maker, or contractual or legal restrictions may limit or prevent a Fund from selling securities or closing derivative positions at desirable times or prices. During times of significant market or economic turmoil, usually liquid markets for certain of a Fund's investments may experience extreme reductions in buy-side demand, which may result in values of a Fund's portfolio securities declining significantly over short or extended periods of time. These reductions in value may occur regardless of whether there has been a change in interest rates or a change in the credit rating of the issuer of the security. Under certain adverse market or economic conditions, Fund investments previously determined to be liquid may be deemed to be illiquid, and, because of regulatory limitations on investments in illiquid securities, a Fund may not be able to make or gain the desired level of exposure to certain investments that it otherwise would.

c) Redemption Risk – A Fund may experience losses when selling securities to meet redemption requests. This risk is greater for larger redemption requests or redemption requests during adverse market conditions. Because the Funds currently are available only to participants in a single asset allocation program, a reduction in the allocation of program assets to the Funds could result in one or more large redemption requests. Moreover, as a result of the requirement that a Fund satisfy redemption requests even during times of significant market or economic turmoil, a Fund may be forced to sell portfolio securities during periods of reduced liquidity when prices are rapidly declining. This may require a Fund to realize investment losses at times that a Sub-adviser believes that it would have been advisable to hold a particular investment until a more orderly sale could occur or the market recovers.

d) Credit Risk – There is a risk that issuers and counterparties will not make payments on securities, repurchase agreements or other investments held by a Fund. Such defaults could result in losses to a Fund. In addition, the credit quality of securities held by a Fund may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security and in shares of a Fund. Lower credit quality also may affect liquidity and make it difficult for the Fund to sell the security. A Fund may invest in securities that are rated in the lowest investment grade category. Such securities may exhibit speculative characteristics similar to high yield securities, and issuers of such securities may be more vulnerable to changes in economic conditions than issuers of higher grade securities.

e) Counterparty Risk – When a Fund enters into an investment contract, such as a derivative or a repurchase agreement, the Fund is exposed to the risk that the other party will not fulfill its contractual obligations. For example, in a repurchase agreement, there exists the risk that a Fund buys a security from a seller (counterparty) that agrees to repurchase the security at an agreed upon price and time, but the counterparty later fails to repurchase the security.

f) Market Risk – Various market risks can affect the price or liquidity of an issuer's securities in which a Fund may invest. Returns from the securities in which a Fund invests may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison to the general securities markets. Adverse events occurring with respect to an issuer's performance or financial position can depress the value of the issuer's securities. The liquidity in a market for a particular security will affect its value and may be affected by factors relating to the issuer, as well as the depth of the market for that security. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed-income markets. As a result, a Fund's value may fluctuate and/or a Fund may experience increased redemptions from shareholders, which may impact the Fund's liquidity or force the Fund to sell securities into a declining or illiquid market. Other market risks that can affect value include a market's current attitudes about types of securities, market reactions to political or economic events, including litigation, and tax and regulatory effects (including lack of adequate regulations for a market or particular type of instrument).

g) Equity Risk – Since certain Funds purchase equity securities, those Funds are subject to equity risk. This is the risk that stock prices will fall over short or extended periods of time. Although the stock market has historically outperformed other asset classes over the long term, the stock market tends to move in cycles. Individual stock prices may fluctuate drastically from day-to-day and may underperform other asset classes over an extended period of time. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These price movements may result from factors affecting individual companies, industries or the securities market as a whole.

h) Multi-Manager and Multi-Style Management Risk – Fund performance is dependent upon the success of the Adviser and the Sub-advisers in implementing a Fund's investment strategies in pursuit of its objective. To a significant extent, a Fund's performance will depend on the success of the Adviser's methodology in allocating the Fund's assets to Sub-advisers and its selection and oversight of the Sub-advisers and on a Sub-adviser's skill in executing the relevant strategy and selecting investments for the Fund. There can be no assurance that the Adviser or Sub-advisers will be successful in this regard. In addition, because portions of each Fund's assets are managed by different Sub-advisers using different styles/strategies, a Fund could experience overlapping security transactions. Certain Sub-advisers may be purchasing securities at the same time that other Sub-advisers may be selling those same securities, which may lead to higher transaction expenses compared to a fund using a single investment management style. The Adviser's and the Sub-advisers' judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security in which a Fund invests may prove to be incorrect, and there is no guarantee that the Adviser's or a Sub-adviser's judgment will produce the desired results. In addition, a Fund may allocate its assets so as to under- or over-emphasize certain strategies or investments under market conditions that are not optimal, in which case a Fund's value may be adversely affected.

i) Foreign Securities Risk – The securities of foreign issuers, including ADRs and GDRs, may be less liquid and more volatile than securities of comparable U.S. issuers. The costs associated with securities transactions are often higher in foreign countries than the United States. Additionally, investments in securities of foreign issuers, even those publicly traded in the United States, may involve risks which are in addition to those inherent in domestic investments. Foreign companies may not be subject to the same regulatory requirements of U.S. companies, and as a consequence, there may be less publicly available information about such companies. Also, foreign companies may not be subject to uniform accounting, and financial reporting standards and requirements comparable to those applicable to U.S. companies. Foreign governments and foreign economies, particularly in emerging markets, may be less stable than the U.S. Government and the U.S. economy.

j) Currency Risk – While the Funds' net assets are valued in U.S. dollars, the securities of foreign companies are frequently denominated in foreign currencies. Thus, a change in the value of a foreign currency against the U.S. dollar will result in a corresponding change in value of securities denominated in that currency. Some of the factors that may impair the investments denominated in a foreign currency are: (1) it may be expensive to convert foreign currencies into U.S. dollars and vice versa; (2) complex political and economic factors may significantly affect the values of various currencies, including U.S. dollars, and their exchange rates; (3) government intervention may increase risks involved in purchasing or selling foreign currency options, forward foreign currency exchange contracts and futures contracts, since exchange rates may not be free to fluctuate in response to other market forces; (4) there may be no systematic reporting of last sale information for foreign currencies or regulatory requirement that quotations available through dealers or other market sources be firm or revised on a timely basis; (5) available quotation information is generally representative of very large round-lot transactions in the inter-bank market and thus may not reflect exchange rates for smaller odd-lot transactions (less than $1 million) where rates may be less favorable; and (6) the inter-bank market in foreign currencies is a global, around-the-clock market. To the extent that a market is closed while the markets for the underlying currencies remain open, certain markets may not always reflect significant price and rate movements.

k) Geographic Focus Risk – To the extent that a significant portion of a Fund's portfolio is invested in the securities of companies in a particular country or region, a Fund may be more susceptible to economic, political, regulatory or other events or conditions affecting issuers within that country or region. As a result, a Fund may be subject to greater price volatility and risk of loss than a fund holding more geographically diverse investments.

l) High Yield Securities Risk – High yield, or "junk," securities involve greater risks of default or downgrade and are more volatile than investment grade securities. Junk bonds involve greater risk of price declines than investment grade securities due to actual or perceived changes in the issuer's credit worthiness.

m) Cybersecurity Risk – The Funds and their service providers may be susceptible to operational, information, security and related risks. While the Funds' service providers have established business continuity plans in the event of such cyber incidents, there are inherent limitations in such plans and systems. Additionally, the Funds cannot control the cybersecurity plans and systems put in place by their service providers or any other third parties whose operations may affect the Funds or their shareholders.

12. NEW ACCOUNTING PRONOUNCEMENTS

a) Accounting Standards Update 2017-08 (ASU 2017-08) Premium Amortization on Purchased Callable Debt Securities. During March 2017, the Financial Accounting Standards Board (FASB) issued ASU 2017-08, which shortens the premium amortization period for purchased non-contingently callable debt securities. ASU 2017-08 specifies that the premium amortization period ends at the earliest call date, for purchased non-contingently callable debt securities. ASU 2017-08 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Funds have adopted the ASU. The implementation of the ASU did not have a material impact on the Funds' Financial Statements.

b) In August 2018, the FASB issued Accounting Standards Update No. 2018-13 "Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13"). ASU 2018-13 eliminates the requirement to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, the timing of transfers between levels of the fair value hierarchy, and the valuation processes for Level 3 fair value measurements. ASU 2018-13 does not eliminate the requirement to disclose the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements, or the changes in unrealized gains and losses for recurring Level 3 fair value measurements. The guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Management has evaluated the impact of this change in guidance, and due to the permissibility of early adoption, modified the Funds' fair value disclosures (see Note 4) for the period ended December 31, 2018.

c) In August 2018, the Securities and Exchange Commission issued Final Rule Release No. 33-10532, Disclosure Update and Simplification, which in part amends certain financial statement disclosure requirements of Regulation S-X that have become redundant, duplicative, overlapping, outdated, or superseded, in light of other Commission disclosure requirements, GAAP, or changes in the information environment. The amendments are intended to facilitate the disclosure of information to investors and simplify compliance without significantly altering the total mix of information provided to investors. The amendments to Rule 6-04.17 of Regulation S-X (balance sheet) were amended to require presentation of the total, rather than the components of net assets, of distributable earnings on the balance sheet. Consistent with GAAP, funds will be required to disclose total distributable earnings. The amendments to Rule 6-09 of Regulation S-X (statement of changes in net assets) omit the requirement to separately state the sources of distributions paid as well as omit the requirement to parenthetically state the book basis amount of undistributed net investment income. Instead, consistent with GAAP, funds will be required to disclose the total amount of distributions paid, except that any tax return of capital must be separately disclosed. The requirements of the Final Rule Release became effective November 5, 2018.

In accordance with new reporting requirements pursuant to Regulation S-X of the Securities and Exchange Commission, presentation of certain amounts on the Statement of Changes in Net Assets, for the year ended June 30, 2018 have been conformed to meet the new disclosure requirements.

The following is a summary of the previously disclosed distribution amounts, as reported at June 30, 2018:

	Distributions to Shareholders		Undistributed (Distribution in Excess of) Net Investment Income
	Net Investment Income	Net Realized Gains	
Bridge Builder Core Bond Fund	$(415,158,732)	$ —	$ (3,003,586)
Bridge Builder Core Plus Bond Fund	(234,531,198)	—	1,211,827
Bridge Builder Municipal Bond Fund	(64,129,188)	—	316,151
Bridge Builder Large Cap Growth Fund	(41,291,958)	—	31,167,482
Bridge Builder Large Cap Value Fund	(101,268,620)	(43,366,217)	1,982,407
Bridge Builder Small/Mid Cap Growth Fund	(9,884,986)	(22,871,720)	5,199,297
Bridge Builder Small/Mid Cap Value Fund	(42,170,781)	(2,212,232)	21,236,156
Bridge Builder International Equity Fund	(102,713,544)	(26,173,483)	96,879,695

13. SUBSEQUENT EVENTS

The Funds have evaluated subsequent events through the date of issuance of this report and have determined that there are no material events that would require accrual or disclosure.

Independent Trustees of the Trust (1)

Name	Role	Term	Principal Occupation	Number of Portfolios in Fund Complex (3) Overseen by Trustees	Other Directorships Held During Past Five Years
Jean E. Carter* (Born: 1957)	Lead Independent Trustee	Indefinite Term; Since Inception	Retired; Director of Investment Management Group for Russell Investment Group (1982-2005)	9	Trustee, Brandes U.S. registered mutual funds (nine funds).
Janice L. Innis-Thompson (Born: 1966)	Trustee, Chair of the Nominating and Governance Committee	Indefinite Term; Since Inception	Chief Compliance & Ethics Officer, Samsung Electronics America (since 2017); Retired (2016-2017); Senior Vice President, Chief Compliance & Ethics Officer, TIAA-CREF (2006-2016)	9	None.
Michelle M. Keeley (Born: 1964)	Trustee	Indefinite Term; Since August 2015	Retired; Executive Vice President, Ameriprise Financial Services, Inc. (2002-2010)	9	Independent Director, Federal Home Loan Bank; Inside Director, Ameriprise Bank, FSB.
William N. Scheffel* (Born: 1953)	Trustee	Indefinite Term; Since Inception	Retired; Executive Vice President, Chief Financial Officer and Treasurer, Centene Corporation (2003-2016)	9	None.
John M. Tesoro* (Born: 1952)	Trustee, Chair of the Audit Committee	Indefinite Term; Since Inception	Retired; Partner, KPMG LLP (2002-2012)	9	Audit Committee Chair; Teton Advisors, Inc. (registered investment adviser). Trustee, BBH Trust (seven funds).

Interested Trustees of the Trust (2)

Name	Role	Term	Principal Occupation	Number of Portfolios in Fund Complex (3) Overseen by Trustees	Other Directorships Held During Past Five Years
William H. Broderick III (Born: 1952)	Trustee, Chairman	Indefinite Term; Since Inception	Retired (since 2017); Chief Executive Officer, Victory Wireline, LLC (2015-2017); Retired (2013-2015); Principal, Investment Advisory, Edward Jones Client Strategies Group (1986-2012)	9	None.
William E. Fiala (Born: 1967)	Trustee	Indefinite Term; Since Inception	Principal, Edward Jones Client Strategies Group (1994-Present)	9	None.

Officers of the Trust

Name	Role	Term	Principal Occupation
Ryan T. Robson (Born: 1978)	President	Indefinite Term; Since July 1, 2016	Principal, Edward Jones Client Strategies Group (since 2013); Director, PricewaterhouseCoopers LLP (2010-2013)
Julius A. Drelick, III (Born: 1966)	Vice President	Indefinite Term; Since May 24, 2017	Director of Fund Administration and Strategic Products, Edward Jones (since 2016); Senior Vice President and Chief Compliance Officer at Voya Investment Management, LLC (2013-2016); Vice President, Head of Mutual Fund Product Development and Strategic Planning, Voya Investment Management, LLC (2007-2013)
Aaron J. Masek (Born: 1974)	Treasurer	Indefinite Term; Since July 1, 2016	Director, Finance, Edward Jones (since 2015); Vice President and Treasurer, AQR Funds (2010-2015)
Alan J. Herzog (Born: 1973)	Chief Compliance Officer and Vice President	Indefinite Term; Since January 1, 2015	Principal, Edward Jones Compliance (since 2013); Senior Counsel, Wells Fargo Advisors, LLC (2008-2013)
Helge K. Lee (Born: 1946)	Secretary	Indefinite Term; Since July 1, 2016	Associate General Counsel, Edward Jones (since 2014); Special Counsel, Godfrey & Kahn (2005-2014)

(1) The Trustees of the Trust who are not “interested persons” of the Trust as defined under the 1940 Act (“Independent Trustees”).

(2) Mr. Broderick and Mr. Fiala are “interested persons” of the Trust as defined by the 1940 Act by virtue of the fact that they are affiliated persons of the Adviser’s parent company, The Jones Financial Companies, L.L.L.P.

(3) The “Fund Complex” is comprised of each Fund offered by the Trust, one of which is not included in this Semiannual Report, and the Edward Jones Money Market Fund. No Trustee oversees, nor receives compensation from, the Edward Jones Money Market Fund, which is advised by Passport Research, Ltd., an affiliate of the Adviser.

* Effective 1/1/2019, the Board appointed John M. Tesoro as the Lead Independent Trustee of the Board, and William N. Scheffel as the Chair of the Audit Committee.

The business address of the Trustees and Officers is the address of the Trust: 12555 Manchester Road, St. Louis, MO 63131.

The Statement of Additional Information includes additional information about the Trustees and is available upon request, without charge, by calling 1-855-823-3611.

Pursuant to Section 15 of the 1940 Act, a fund's advisory and sub-advisory agreements must be approved: (i) by a vote of a majority of the shareholders of the fund; and (ii) by a vote of a majority of the members of the board who are not parties to the agreements or "interested persons" of any party, as defined in the 1940 Act (the "Independent Trustees"), cast in person at a meeting called for the purpose of voting on such approval.

At an in-person meeting held on August 21-22, 2018 (the "Meeting"), the Board of Trustees of the Bridge Builder Trust (the "Board"), including a majority of the Independent Trustees, considered and approved a new sub-advisory arrangement pursuant to an agreement with BlackRock Investment Management, LLC ("BlackRock" of the "Sub-adviser") with respect to the Bridge Builder Municipal Bond Fund (the "Fund") (the "Sub-advisory Agreement") for an initial two-year term.

In advance of the in-person Meeting and a telephonic meeting held on August 16, 2018, the Adviser and the Sub-adviser furnished information to the Board necessary for the Board to evaluate the terms of the Sub-advisory Agreement. The Board had the opportunity to ask questions and request further information in connection with its consideration. This information included materials describing, among other matters: (i) the nature, extent and quality of the services proposed to be provided by the Sub-adviser; (ii) the Sub-adviser's investment management personnel; (iii) the Sub-adviser's operations; (iv) the Sub-adviser's investment philosophy and investment process; (v) the sub-advisory fees proposed to be payable to the Sub-adviser; (vi) the Sub-adviser's policies and compliance procedures, including those related to personal securities transactions; and (vii) the investment performance of accounts managed by the Sub-adviser with strategies similar to the portion of the Fund proposed to be managed by the Sub-adviser.

At the in-person Meeting, representatives of the Adviser and the Sub-adviser made presentations and responded to questions regarding the Sub-adviser's services, fees and other aspects of the Sub-advisory Agreement. The Independent Trustees received advice from Fund counsel and from their independent legal counsel, including advice regarding the legal standards applicable to the consideration of advisory and sub-advisory arrangements, and met in executive session outside the presence of the interested Trustees, Fund management and representatives of the Adviser and the Sub-adviser to discuss the Sub-advisory Agreement and the services to be provided by the Sub-adviser.

In considering the approval of the Sub-advisory Agreement, the Board considered various factors, as discussed in further detail below:

1. The nature, extent and quality of the services to be provided by the Sub-adviser under the Sub-advisory Agreement. The Board reviewed the portfolio management services and investment process proposed by the Sub-adviser, including how the Sub-adviser's investment philosophy and process complement those of the other sub-advisers that manage the Fund. The Board also reviewed the background and experience of the Sub-adviser's portfolio management personnel. The Adviser discussed with the Board its history with BlackRock and its experience in the role of sub-adviser to certain other series of Bridge Builder Trust. The Board reviewed the resources of the Sub-adviser, and the terms of the proposed Sub-advisory Agreement. The Board also considered other services to be provided to the Fund by the Sub-adviser under the Adviser's supervision, such as monitoring adherence to the Fund's investment restrictions, monitoring compliance with various Fund policies and procedures and with applicable securities laws and regulations, monitoring valuation and liquidity and selecting broker-dealers to execute portfolio transactions.

Based on the factors above, as well as those discussed below, the Board concluded, within the context of its full deliberations, that the Sub-adviser is capable of providing services of the type and nature contemplated by the terms of the Sub-advisory Agreement.

2. Fees and Other Expenses. The Board reviewed the sub-advisory fees proposed to be payable to the Sub-adviser. The Board considered the potential impact of BlackRock's fee to the Fund's overall expenses, given the Adviser's contractual agreement to waive its advisory fees to the extent advisory fees to be paid to the Adviser exceed the sub-advisory fees to be paid to the Fund's sub-advisers. Based on the factors above, as well as those discussed below, the Board concluded, within the context of its full deliberations, that the sub-advisory fees were reasonable in light of the nature and quality of the services expected to be rendered by the Sub-adviser.

3. The Sub-adviser's Investment Performance Record. Because the Sub-adviser is new to the Fund, the Board was not able to evaluate an investment performance record for the portion of the Fund to be managed by the Sub-adviser. The Board did consider the Sub-adviser's performance history with respect to similarly-managed investment accounts. While there was no historical Sub-adviser performance information with respect to the Fund for review, the Board noted that it would have an opportunity to review such information in connection with future annual reviews of advisory and sub-advisory agreements.

4. Profitability and Economies of Scale. The Board did not consider profitability of the Sub-adviser to be a material factor, given that the Sub-adviser is not affiliated with the Adviser and, therefore, the fees were negotiated at arm's length.

5. Indirect Benefits. The Board noted that Fund shares are currently available exclusively to investors participating in Edward Jones Advisory Solutions®, an investment advisory program or asset-based fee program, sponsored by Edward D. Jones & Co., L.P. ("Edward Jones"), an affiliate of the Adviser. Accordingly, the Board considered that Edward Jones receives asset-based fees from all investors in connection with their investments in the Fund.

The Board also considered potential "fall-out" or ancillary benefits to BlackRock, as a result of its relationship with the Fund. Ancillary benefits for BlackRock might entail research credits received from brokers resulting from Fund portfolio transactions. The Board considered that ancillary benefits could result from a greater allocation of assets under BlackRock's management, potentially allowing the Sub-adviser to leverage its increased trade volume to negotiate more favorable execution rates for all its clients. Ancillary benefits could also include benefits potentially derived from an increase in BlackRock's business as a result of its relationship with the Fund (such as the ability to market to shareholders other financial products and services offered by BlackRock, or to operate other products and services that follow investment strategies similar to those of the Fund).

CONCLUSION

While formal Board action was not taken with respect to the conclusions discussed above, those conclusions formed, in part, the basis for the Board's approval of the Sub-advisory Agreement at the Meeting. The Board concluded, in the exercise of its reasonable judgment, that the terms of the Sub-advisory Agreement, including the compensation to be paid thereunder, are reasonable in relation to the services expected to be provided by the Sub-adviser to the Fund and that the appointment of the Sub-adviser and the approval of the Sub-advisory Agreement would be in the best interests of the Fund and its shareholders. Based on the Board's deliberations and its evaluation of the information described above and other factors and information it believed relevant, the Board, including all of the Independent Trustees, unanimously approved (a) the appointment of the Sub-adviser as a sub-adviser to the Fund, and (b) the Sub-advisory Agreement.

Pursuant to Section 15 of the 1940 Act, a fund's advisory and sub-advisory agreements must be approved: (i) by a vote of a majority of the shareholders of the fund; and (ii) by a vote of a majority of the members of the board who are not parties to the agreements or "interested persons" of any party, as defined in the 1940 Act (the "Independent Trustees"), cast in person at a meeting called for the purpose of voting on such approval.

At an in-person meeting held on November 27-28, 2018 (the "Meeting"), the Board of Trustees of the Bridge Builder Trust (the "Board"), including a majority of the Independent Trustees, considered and approved a new sub-advisory arrangement pursuant to an agreement with Diamond Hill Capital Management, Inc. ("Diamond Hill" or the "Sub-adviser") with respect to the Bridge Builder Small/Mid Cap Value Fund (the "Fund") (the "Sub-advisory Agreement") for an initial two-year term.

In advance of the in-person Meeting and a telephonic meeting held on November 19, 2018, the Adviser and the Sub-adviser furnished information to the Board necessary for the Board to evaluate the terms of the Sub-advisory Agreement. The Board had the opportunity to ask questions and request further information in connection with its consideration. This information included materials describing, among other matters: (i) the nature, extent and quality of the services proposed to be provided by the Sub-adviser; (ii) the Sub-adviser's investment management personnel; (iii) the Sub-adviser's operations; (iv) the Sub-adviser's investment philosophy and investment process; (v) the sub-advisory fees proposed to be payable to the Sub-adviser; (vi) the Sub-adviser's policies and compliance procedures, including those related to personal securities transactions; and (vii) the investment performance of accounts managed by the Sub-adviser employing a mid-cap strategy similar to the portion of the Fund proposed to be managed by the Sub-adviser.

At the in-person Meeting, representatives of the Adviser and the Sub-adviser made presentations and responded to questions regarding the Sub-adviser's services, fees and other aspects of the Sub-advisory Agreement. The Independent Trustees received advice from Fund counsel and from their independent legal counsel, including advice regarding the legal standards applicable to the consideration of advisory and sub-advisory arrangements, and met in executive session outside the presence of the interested Trustees, Fund management and representatives of the Adviser and the Sub-adviser to discuss the Sub-advisory Agreement and the services to be provided by the Sub-adviser.

In considering the approval of the Sub-advisory Agreement, the Board considered various factors, as discussed in further detail below:

1. The nature, extent and quality of the services to be provided by the Sub-adviser under the Sub-advisory Agreement. The Board reviewed the portfolio management services and investment process proposed by the Sub-adviser, including how the Sub-adviser's investment philosophy and process complement those of the other sub-advisers that manage the Fund. The Board also reviewed the background and experience of the Sub-adviser's portfolio management personnel. The Board reviewed the resources of the Sub-adviser, and the terms of the proposed Sub-advisory Agreement. The Board also considered other services to be provided to the Fund by the Sub-adviser under the Adviser's supervision, such as monitoring adherence to the Fund's investment restrictions, monitoring compliance with various Fund policies and procedures and with applicable securities laws and regulations, monitoring valuation and liquidity and selecting broker-dealers to execute portfolio transactions.

Based on the factors above, as well as those discussed below, the Board concluded, within the context of its full deliberations, that the Sub-adviser is capable of providing services of the type and nature contemplated by the terms of the Sub-advisory Agreement.

2. Fees and Other Expenses. The Board reviewed the sub-advisory fees proposed to be payable to the Sub-adviser. The Board considered the potential impact of Diamond Hill's fee to the Fund's overall expenses, given the Adviser's contractual agreement to waive its advisory fees to the extent advisory fees to be paid to the Adviser exceed the sub-advisory fees to be paid to the Fund's sub-advisers. Based on the factors above, as well as those discussed below, the Board concluded, within the context of its full deliberations, that the sub-advisory fees were reasonable in light of the nature and quality of the services expected to be rendered by the Sub-adviser.

3. The Sub-adviser's Investment Performance Record. Because the Sub-adviser is new to the Fund, the Board was not able to evaluate an investment performance record for the portion of the Fund to be managed by the Sub-adviser. The Board did consider the Sub-adviser's composite performance with respect to its mid-cap strategy, and noted that it had a relatively short history. While there was no historical Sub-adviser performance information with respect to the Fund for review, the Board noted that it would have an opportunity to review such information in connection with future annual reviews of advisory and sub-advisory agreements.

4. Profitability and Economies of Scale. The Board did not consider profitability of the Sub-adviser to be a material factor, given that the Sub-adviser is not affiliated with the Adviser and, therefore, the fees were negotiated at arm's length.

5. Indirect Benefits. The Board noted that Fund shares are currently available exclusively to investors participating in Edward Jones Advisory Solutions®, an investment advisory program or asset-based fee program, sponsored by Edward D. Jones & Co., L.P. ("Edward Jones"), an affiliate of the Adviser. Accordingly, the Board considered that Edward Jones receives asset-based fees from all investors in connection with their investments in the Fund.

The Board also considered potential "fall-out" or ancillary benefits to Diamond Hill, as a result of its relationship with the Fund. The Board considered that ancillary benefits could result from a greater allocation of assets under Diamond Hill's management, potentially allowing the Sub-adviser to leverage its increased trade volume to negotiate more favorable execution rates for all its clients. Ancillary benefits could also include benefits potentially derived from an increase in Diamond Hill's business as a result of its relationship with the Fund (such as the ability to market to shareholders other financial products and services offered by Diamond Hill, or to operate other products and services that follow investment strategies similar to those of the Fund).

CONCLUSION

While formal Board action was not taken with respect to the conclusions discussed above, those conclusions formed, in part, the basis for the Board's approval of the Sub-advisory Agreement at the Meeting. The Board concluded, in the exercise of its reasonable judgment, that the terms of the Sub-advisory Agreement, including the compensation to be paid thereunder, are reasonable in relation to the services expected to be provided by the Sub-adviser to the Fund and that the appointment of the Sub-adviser and the approval of the Sub-advisory Agreement would be in the best interests of the Fund and its shareholders. Based on the Board's deliberations and its evaluation of the information described above and other factors and information it believed relevant, the Board, including all of the Independent Trustees, unanimously approved (a) the appointment of the Sub-adviser as a sub-adviser to the Fund, and (b) the Sub-advisory Agreement.

Pursuant to Section 15 of the 1940 Act, a fund's advisory and sub-advisory agreements must be approved: (i) by a vote of a majority of the shareholders of the fund; and (ii) by a vote of a majority of the members of the board who are not parties to the agreements or "interested persons" of any party, as defined in the 1940 Act (the "Independent Trustees"), cast in person at a meeting called for the purpose of voting on such approval.

At an in-person meeting held on November 27-28, 2018 (the "Meeting"), the Board of Trustees of the Bridge Builder Trust (the "Board"), including a majority of the Independent Trustees, considered and approved a new sub-advisory arrangement pursuant to an agreement with Massachusetts Financial Services Company (d/b/a/ MFS Investment Management) ("MFS" or the "Sub-adviser") with respect to the Bridge Builder Small/Mid Cap Value Fund (the "Fund") (the "Sub-advisory Agreement") for an initial two-year term.

In advance of the in-person Meeting and a telephonic meeting held on November 19, 2018, the Adviser and the Sub-adviser furnished information to the Board necessary for the Board to evaluate the terms of the Sub-advisory Agreement. The Board had the opportunity to ask questions and request further information in connection with its consideration. This information included materials describing, among other matters: (i) the nature, extent and quality of the services proposed to be provided by the Sub-adviser; (ii) the Sub-adviser's investment management personnel; (iii) the Sub-adviser's operations; (iv) the Sub-adviser's investment philosophy and investment process; (v) the sub-advisory fees proposed to be payable to the Sub-adviser; (vi) the Sub-adviser's policies and compliance procedures, including those related to personal securities transactions; and (vii) the investment performance of accounts managed by the Sub-adviser employing a small cap value strategy similar to the portion of the Fund proposed to be managed by the Sub-adviser.

At the in-person Meeting, representatives of the Adviser and the Sub-adviser made presentations and responded to questions regarding the Sub-adviser's services, fees and other aspects of the Sub-advisory Agreement. The Independent Trustees received advice from Fund counsel and from their independent legal counsel, including advice regarding the legal standards applicable to the consideration of advisory and sub-advisory arrangements, and met in executive session outside the presence of the interested Trustees, Fund management and representatives of the Adviser and the Sub-adviser to discuss the Sub-advisory Agreement and the services to be provided by the Sub-adviser.

In considering the approval of the Sub-advisory Agreement, the Board considered various factors, as discussed in further detail below:

1. The nature, extent and quality of the services to be provided by the Sub-adviser under the Sub-advisory Agreement. The Board reviewed the portfolio management services and investment process proposed by the Sub-adviser, including how the Sub-adviser's investment philosophy and process complement those of the other sub-advisers that manage the Fund. The Board also reviewed the background and experience of the Sub-adviser's portfolio management personnel. The Board reviewed the resources of the Sub-adviser, and the terms of the proposed Sub-advisory Agreement. The Board also considered other services to be provided to the Fund by the Sub-adviser under the Adviser's supervision, such as monitoring adherence to the Fund's investment restrictions, monitoring compliance with various Fund policies and procedures and with applicable securities laws and regulations, monitoring valuation and liquidity and selecting broker-dealers to execute portfolio transactions.

Based on the factors above, as well as those discussed below, the Board concluded, within the context of its full deliberations, that the Sub-adviser is capable of providing services of the type and nature contemplated by the terms of the Sub-advisory Agreement.

2. Fees and Other Expenses. The Board reviewed the sub-advisory fees proposed to be payable to the Sub-adviser. The Board considered the potential impact of MFS's fee to the Fund's overall expenses, given the Adviser's contractual agreement to waive its advisory fees to the extent advisory fees to be paid to the Adviser exceed the sub-advisory fees to be paid to the Fund's sub-advisers. Based on the factors above, as well as those discussed below, the Board concluded, within the context of its full deliberations, that the sub-advisory fees were reasonable in light of the nature and quality of the services expected to be rendered by the Sub-adviser.

3. The Sub-adviser's Investment Performance Record. Because the Sub-adviser is new to the Fund, the Board was not able to evaluate an investment performance record for the portion of the Fund to be managed by the Sub-adviser. The Board did consider the Sub-adviser's performance history with respect to similarly-managed investment accounts. While there was no historical Sub-adviser performance information with respect to the Fund for review, the Board noted that it would have an opportunity to review such information in connection with future annual reviews of advisory and sub-advisory agreements.

4. Profitability and Economies of Scale. The Board did not consider profitability of the Sub-adviser to be a material factor, given that the Sub-adviser is not affiliated with the Adviser and, therefore, the fees were negotiated at arm's length.

5. Indirect Benefits. The Board noted that Fund shares are currently available exclusively to investors participating in Edward Jones Advisory Solutions®, an investment advisory program or asset-based fee program, sponsored by Edward D. Jones & Co., L.P. ("Edward Jones"), an affiliate of the Adviser. Accordingly, the Board considered that Edward Jones receives asset-based fees from all investors in connection with their investments in the Fund.

The Board also considered potential "fall-out" or ancillary benefits to MFS, as a result of its relationship with the Fund. The Board considered that ancillary benefits could result from a greater allocation of assets under MFS's management, potentially allowing the Sub-adviser to leverage its increased trade volume to negotiate more favorable execution rates for all its clients. Ancillary benefits could also include benefits potentially derived from an increase in MFS's business as a result of its relationship with the Fund (such as the ability to market to shareholders other financial products and services offered by MFS, or to operate other products and services that follow investment strategies similar to those of the Fund).

CONCLUSION

While formal Board action was not taken with respect to the conclusions discussed above, those conclusions formed, in part, the basis for the Board's approval of the Sub-advisory Agreement at the Meeting. The Board concluded, in the exercise of its reasonable judgment, that the terms of the Sub-advisory Agreement, including the compensation to be paid thereunder, are reasonable in relation to the services expected to be provided by the Sub-adviser to the Fund and that the appointment of the Sub-adviser and the approval of the Sub-advisory Agreement would be in the best interests of the Fund and its shareholders. Based on the Board's deliberations and its evaluation of the information described above and other factors and information it believed relevant, the Board, including all of the Independent Trustees, unanimously approved (a) the appointment of the Sub-adviser as a sub-adviser to the Fund, and (b) the Sub-advisory Agreement.

Proxy Voting Procedures and Proxy Voting Record

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available, free of charge, by calling 1-855-823-3611. This information is also available through the Securities and Exchange Commission's website at http://www.sec.gov. Information regarding how the Trust voted proxies relating to portfolio securities during the 12-month period ending June 30 is available without charge, upon request, by calling 1-855-823-3611. This information is also available through the Securities and Exchange Commission's website at http://www.sec.gov.

Form N-Q Disclosure

The Trust files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Q filings are available on the Securities and Exchange Commission's website at http://www.sec.gov. Information regarding the Trust's Form N-Q filings is also available, without charge, by calling, 1-855-823-3611.

Household Delivery of Shareholder Documents

To reduce expenses the Funds may mail only one copy of the prospectus, Statement of Additional Information and each annual and semiannual report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please call the Trust at 1-855-823-3611. You will begin receiving individual copies thirty days after your request is received.

Schedule of Investments

Each Fund's complete schedule of investments in securities of unaffiliated issuers is available without charge, upon request, by calling 1-855-823-3611, and on the Securities and Exchange Commission website at http://www.sec.gov as a part of Form N-CSR.

Revised 12/2017

FACTS	What Does the Bridge Builder Trust ("Bridge Builder") Do with Your Personal Information?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: * Social Security number * Account balances * Transaction history * Investment experience * Risk tolerance When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Bridge Builder chooses to share; and whether you can limit this sharing.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	DOES BRIDGE BUILDER SHARE?	CAN YOU LIMIT THIS SHARING?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

WHO WE ARE	
Who is providing this notice?	Bridge Builder Trust

WHAT WE DO	
How does Bridge Builder protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Bridge Builder collect my personal information?	We collect your personal information, for example, when you deposit money with us, if you ever were to give us your contact information, open an account with us, provide us account information or make a wire transfer.
Why can't I limit all sharing?	Federal law gives you the right to limit only: * Sharing for affiliates' everyday business purposes – information about your creditworthiness * Affiliates from using your information to market to you * Sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

DEFINITIONS	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. Olive Street Investment Advisers, LLC ("Olive Street"), our investment adviser, may be deemed to be affiliated with us. Olive Street is a wholly owned subsidiary of The Jones Financial Companies, L.L.L.P. ("JFC"), and is affiliated with other subsidiaries of JFC, including Edward D. Jones & Co., L.P., and Edward Jones Trust Company.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. Bridge Builder does not share with non-affiliates so they can market to you.
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. Bridge Builder does not currently engage in joint marketing efforts.

Questions? Call 855-823-3611 or go to www.bridgebuildermutualfunds.com

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

Investment Adviser

Olive Street Investment Advisers, LLC
12555 Manchester Road
St. Louis, MO 63131

Administrator, Fund Accountant & Transfer Agent

U.S. Bancorp Fund Services, LLC
d/b/a U.S. Bank Global Fund Services
615 East Michigan Street
Milwaukee, WI 53202

Distributor

Quasar Distributors, LLC
615 East Michigan Street
Milwaukee, WI 53202

Custodian

U.S. Bank, N.A.
1555 North RiverCenter Drive, Suite 302
Milwaukee, WI 53212

Legal Counsel

Morgan Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103

Bridge Builder Mutual Funds

Bridge Builder mutual funds, available exclusively through Edward Jones Advisory Solutions®, provide investors diversified expertise from leading asset management firms. The management of Bridge Builder mutual funds is rooted in our investment philosophy of diversification, a long-term approach and high quality.

Visit www.bridgebuildermutualfunds.com for more information.

Enroll in e-delivery

Add convenience and organization to your financial life by signing up for e-delivery. Visit www.edwardjones.com/edelivery to learn more and enroll.

This report is authorized for distribution to prospective investors only when preceded or accompanied by the Funds' prospectus. Investors should carefully consider the investment objectives, risks and charges and expenses of the Funds prior to investing. The prospectus contains this and other important information and should be read carefully before investing.

DES-8308-A