

**PERFORMANCE** (AS OF 03/31/2021)

	1Q 2021	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Riverbridge All Cap Growth (Gross)	-2.14%	-2.14%	58.05%	23.27%	21.51%	16.14%	12.34%
Riverbridge All Cap Growth (Net)	-2.32%	-2.32%	56.88%	22.33%	20.59%	15.24%	11.30%
Russell 3000® Growth	1.19%	1.19%	64.31%	22.39%	20.87%	16.35%	10.31%
S&P 500®	6.17%	6.17%	56.35%	16.78%	16.29%	13.91%	10.08%

Periods greater than one year are annualized; Inception Date: 9/30/1987

**HIGHLIGHTS**

- In a period driven by expectations of improved economic activity and inflation, the Russell 3000® Growth index rose slightly
- Strategy underperformed its benchmark for the quarter, due to market participants' preference for companies expected to benefit from accelerating economy and continued monetary and economic stimulus
- In the equity markets, concerns about rising inflation may continue to offset optimism about economic reopening; in an inflationary environment, Riverbridge portfolio companies should thrive thanks to strategic market positions which give them pricing power

**MARKET COMMENTARY**

The first quarter of 2021 was bifurcated into two distinct periods. The first half of the quarter featured a continuation of the COVID rally which started in November of 2020, further bolstered by expectations of improving economic activity as a result of accommodative monetary policy and a Federal stimulus package. Market participants speculated that consumer-related firms and those in other financially sensitive lines of business such as Energy, Materials, and Industrials would benefit from governmental support, as well as from accelerating COVID-19 vaccine administration.

The second half of the quarter was more volatile, particularly in small- and mid-cap portion of the equity market. Stocks in these portions of the market declined due to rising interest rates and the general expectation of inflation. Commodity-based instruments performed well.

For the full quarter, in the Russell 3000® Growth index, the Communication Services and Industrials sectors drove the bulk of performance. Information Technology was the index's worst performing sector, declining slightly.

**STRATEGY COMMENTARY**

The Riverbridge All Cap Growth strategy trailed its benchmark for the first quarter, declining approximately two percent compared to the one percent rise in the Russell 3000® Growth index. The portfolio's Information Technology and Industrials holdings detracted from relative performance, offset partially by outperformance in the Consumer Discretionary sector.

The portfolio's underperformance in the first quarter was consistent with historical patterns. Investors generally demonstrated a willingness to accept risk, as evidenced by the strong performance of economically sensitive and commodity-based investments and - even more dramatically - by the so-called "Reddit traders" who conspired to bid up a group of companies struggling to survive with the intent of causing a short squeeze. Riverbridge's investment approach, on the other hand, favors companies we believe will grow their earnings power regardless of the broader economic environment.

During the latter part of the quarter, market participants shifted their focus to fears of inflation. This caused a modest pullback in the small- and mid-cap portion of the equity market, particularly in technology stocks with long growth horizons. While this sentiment shift impacted the relative performance of the Riverbridge All Cap Growth strategy, should the rate of inflation rise as anticipated, we believe our portfolio companies are well positioned. They typically have strategic advantages which create enduring relationships with their customers and give them the ability to raise prices to cover increasing input costs.

For example, Guidewire Software (GWRE) delivers substantial value to its property and casualty insurance industry customers, helping them to modernize their core back office functions such as underwriting, billing, and claims. Recognized as the market leader, Guidewire has limited competition and continues to expand its customer relationships by offering solutions in data management, digitization, and analytics. Given Guidewire's existing and increasing strategic importance to its customers, we are confident the company wields pricing power such that it can pass on potential input cost increases to its customers.

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## OUTLOOK

Looking ahead, we expect the speculative nature of the first quarter to persist. The economy should continue to strengthen as more states reopen following mass vaccination efforts. Central banks and governments will continue their attempts to catalyze the global economy. Investors will carefully monitor moves in interest and inflationary rates. A rise in interest rates will suppress those investments with the longest anticipated durations. An increase in inflation will dampen the multiples that investors will be willing to pay for investments as they fear an inflationary erosion of earnings. Eventually, investors will pivot away from the short-term market catalysts to the underlying fundamental prospects of their investments.

The Riverbridge investment team is pleased with our portfolio positioning as we look ahead. While in the short-term our portfolios may continue to lag more speculative investments, our portfolio companies are exhibiting high degrees of fundamental strength. A new economic normal is about to emerge. This new normal will favor companies that are creating efficiencies and skilled management teams with the ability to adapt to fast-changing market conditions.

In general, Riverbridge's portfolio companies have a head start. Many of our investments provide products or services that their customers find indispensable. Furthermore, our companies enable their customers to operate more efficiently and become more adaptable. These characteristics have our team confident that our portfolios are positioned to fundamentally flourish.

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You should not assume that any discussion or information contained in this commentary serves as the receipt of, or as a substitute for, personalized investment advice from Riverbridge. Performance related information provided in this document is presented as supplemental information to the compliant presentation included herein. A description of our services and fees is included in our Brochure, ADV Part 2, which is available upon request.

## ALL CAP GROWTH COMPOSITE

Year	Gross-of-Fee Return (%)	Net-of-Fee Return (%)	Russell 3000® Growth Return (%)	Portfolios	Dispersion (%)	Composite 3-Year Ex-Post Std. Dev.	Russell 3000® Growth 3-Year Ex-Post Std. Dev.	Composite Assets (\$ Millions)	Ttl Firm Assets (\$ Millions)	Advisory Only (\$Millions)	Ttl Firm Assets & Advisory Only (\$Millions)
2020	45.60	44.52	38.26	181	0.95	18.51	19.87	750.9	8,478.1	4,896.5	13,374.6
2019	31.14	30.14	35.85	159	0.62	13.25	13.20	526.5	5,378.3	2,633.2	8,011.5
2018	5.12	4.30	-2.12	117	0.62	13.04	12.29	355.8	4,737.1	1,842.0	6,579.1
2017	25.73	24.78	29.59	96	0.69	10.21	10.62	357.7	5,047.9	1,791.1	6,839.0
2016	6.35	5.52	7.39	93	0.51	11.13	11.34	413.3	4,686.7	1,546.6	6,233.3
2015	5.52	4.68	5.09	89	0.53	10.54	10.80	379.9	5,030.8	1,202.4	6,233.2
2014	4.02	3.14	12.44	83	0.29	10.34	9.74	350.6	5,523.2	1,215.6	6,738.8
2013	37.98	36.86	34.23	68	0.46	11.52	12.49	302.1	5,718.3	1,085.7	6,804.0
2012	14.30	13.50	15.21	61	0.31	14.49	15.99	200.1	3,225.7	650.8	3,876.5
2011	4.30	3.33	2.18	59	0.72	17.37	18.17	180.1	2,558.0	576.6	3,134.6

**Firm Information:** Riverbridge Partners, LLC is a Minnesota based investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. The firm provides investment management services to institutional and individual investors. The company offers growth-oriented investment services by investing in growth equity securities, which it believes will provide high returns over the long term. The firm's standard fee schedule is an annual 1%.

**Composite Characteristics:** The All Cap Growth Composite was created in October 1987 and its inception date was 09/30/1987. It is a diversified growth stock portfolio invested in growth companies of all market capitalization ranges. A complete list and description of all firm composites, including broad and limited distribution pooled funds, is available upon request. The composite benchmark is the Russell 3000® Growth Index. The Russell 3000® Growth Index includes the segment of securities within the Russell 3000® Index with higher price-to-book ratios and higher forecasted growth values. The Russell 3000® Index is an unmanaged index measuring the performance of the broad U.S. equity universe. The benchmark returns are gross of all fees and taxes. The composite minimum value is \$100,000.

Material risks of the strategy include stock market, business and economic development, liquidity, and foreign security risk. Leverage, derivatives, short positions and illiquid investments are not used in the strategy. As with any investment, an investor may lose money, and the strategy can underperform its benchmark. Investment in strategies is not insured by the FDIC or any other government agency.

**Calculation Methodology:** Individual portfolios are revalued daily starting 1/1/2009. Prior to that, individual portfolios were revalued monthly and intra-month when large cash flows (defined at 10%) occurred. Gross-of-fee returns are calculated net of transaction costs and gross of management fees. Until 12/31/2007, net performance was calculated by applying the maximum annual management fee of 1% to gross performance on a monthly basis. Starting 1/1/2008, net-of-fee returns are calculated net of actual investment management fees. Both gross-of-fee and net-of-fee returns are calculated gross of all withholding taxes on foreign dividends. Accruals are included in calculations. The dispersion measure is the equal-weighted standard deviation of accounts in the composite for the entire year. Dispersion and Ex-Post standard deviation is calculated using gross-of-fees returns. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

**Other Disclosures:** Riverbridge claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Riverbridge has been independently verified for the period 12/31/1989 – 12/31/2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The All Cap Growth Composite has had a performance examination for the periods 10/01/1987 – 12/31/2020. The verification and performance examination reports are available upon request.

The benchmark returns are not covered by the report of the independent verifiers. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely and can result in a loss of portfolio value.

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- Returns presented within this document are presented for gross-of-fee performance figures, which do not reflect the deduction of investment advisory fees. A client's returns will be reduced by the advisory fees and other expenses incurred in the management of its account. For example, the deduction of a 1% advisory fee over a 10 year period would reduce a 10% gross return to an 8.9% net return. A description of Riverbridge Partners' advisory fees are disclosed on Part 2 of its Form ADV, a copy of which is available upon request.
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