

**PERFORMANCE** (AS OF 09/30/2021)

	3Q 2021	YTD	1 Year	3 Year	5 Year	10 Year	Inception
<b>Riverbridge Eco Leaders® (Gross)</b>	<b>0.74%</b>	<b>6.46%</b>	<b>21.43%</b>	<b>21.14%</b>	<b>21.89%</b>	<b>18.70%</b>	<b>9.91%</b>
<b>Riverbridge Eco Leaders® (Net)</b>	<b>0.57%</b>	<b>5.94%</b>	<b>20.65%</b>	<b>20.36%</b>	<b>21.08%</b>	<b>17.75%</b>	<b>8.77%</b>
Russell 3000® Growth	0.69%	13.49%	27.57%	21.27%	22.30%	19.40%	7.30%
S&P 500®	0.58%	15.92%	30.00%	15.99%	16.90%	16.63%	7.39%

*Periods greater than one year are annualized; Inception Date: 05/31/2000*

**HIGHLIGHTS**

- The Russell 3000® Growth index increased slightly, as the equity markets adopted a more defensive stance in light of persistent inflation, supply chain challenges, the Delta variant, and anticipated tapering of accommodative monetary policy
- Strategy narrowly outperformed benchmark gross of fees, overcoming market cap headwinds due to strong fundamental performance and investor recognition of the relatively stable and predictable growth of our portfolio companies
- Inflationary pressures and supply chain disruptions are likely to persist, with Riverbridge portfolio companies positioned well to adapt to changing macroeconomic conditions

**MARKET COMMENTARY**

Persistent inflation, supply chain challenges, lukewarm economic data, and the proliferation of the Delta variant of COVID-19 were among the primary causes of the equity market's subdued performance in the third quarter of 2021. In addition, when the Federal Reserve signaled that the economy could soon handle a rollback of pandemic stimulus programs, the markets responded with a rapid increase in bond yields and a selloff of growth companies. In general, the confluence of these factors caused market participants to adopt a more defensive stance.

The Russell 3000® Growth index increased slightly, led by the Information Technology and Communication Services sectors. Economically sensitive sectors such as Industrials, Consumer Discretionary, Materials, and Real Estate declined. Once again, large caps meaningfully outperformed small caps.

**STRATEGY COMMENTARY**

The Riverbridge Eco Leaders® strategy narrowly outperformed its benchmark on a gross of fees basis in the third quarter, as both the strategy and the Russell 3000® Growth index increased slightly less than one percent.

The portfolio's relative returns were impacted by two competing forces during the quarter. On the positive side, our portfolio companies continued to demonstrate strong fundamental progress, and investors favored their stable and predictable growth patterns in light of an increasingly uncertain macroeconomic environment. Hurting the strategy's relative performance, however, was the substantial outperformance of

large cap companies over their small cap counterparts. The All Cap Growth strategy has always owned a broad mix of small, medium, and large businesses, whereas the Russell 3000® Growth index is predominantly large cap. We were pleased to see the fundamental strength of the portfolio largely overcome this market cap headwind.

The strategy's investments in Information Technology contributed to the portfolio's relative performance. In Eco Leaders, we seek to invest in companies which enable their customers to improve resource productivity and efficiency, as well as to remain flexible when faced with changing conditions in their end markets. Such businesses create substantial value for their clients and are often strategic partners, resulting in long and mutually beneficial partnerships. In contrast, we typically avoid those Technology companies which produce hardware or equipment, since those types of companies tend to be more economically sensitive and more vulnerable to technological obsolescence.

The portfolio's Industrials holdings also helped relative performance in the quarter. In this sector, the Eco Leaders portfolio tends to own a collection of asset-light professional services businesses which are helping their customers make informed decisions, efficiently match supply and demand, and save time and money. The business models, resource intensity, economic sensitivity of our portfolio holdings differs significantly from the companies populating the benchmark in industries such as Freight and Logistics, Airlines, Machinery, and Road and Rail.

*Continued on next page...*

*Market Commentary continued...*

A portfolio company which illustrates our approach to investing in the Industrials sector is Ritchie Bros. Auctioneers (RBA), a global auctioneer specializing in selling used equipment in the construction, agriculture, and natural resources markets. Ritchie Bros. adds substantial value to customers in resource intensive industries by increasing and optimizing the utilization of equipment. Furthermore, even before COVID forced all events to transition online, the company was building out a robust digital platform to expand the reach and quality of its auctions. We believe accelerated adoption of this platform and additional capabilities Ritchie Bros. continues to build - such as inventory management - positions the company for sustainable long-term earnings power growth.

## OUTLOOK

It appears likely that inflationary pressures will persist. The labor market is extraordinarily tight as companies are struggling to find workers. In many cases businesses are being forced to pay higher wages, which results in increased prices for the goods and services that they produce. The Federal Reserve has indicated that it will begin to remove some of the stimulative pandemic-era policies in November. Furthermore, the Fed hinted that they may begin raising interest rates as early as next year should inflation remain persistent. A modest amount of inflation is healthy for the economy and the equity markets. The risk is that inflation rates rise to levels that threaten to derail economic growth and decrease corporate profit margins.

Following the pandemic and the economic reopening, businesses are experiencing high demand for their goods and services. However, the supply of these products and services, including labor, has proven insufficient to meet this renewed demand. Should this imbalance continue, growth may decelerate. The globally integrated supply chain will eventually achieve equilibrium, but based on conversations with our portfolio companies, Riverbridge continues to assert that this process will take time.

From a fundamental standpoint, the Riverbridge portfolio companies continue to perform well. Most of our companies are less impacted by inflation and the supply chain disruption relative to the broader market. Furthermore, our portfolio companies are positioned to thrive in the new, post-pandemic economic normal. Thanks to their strategic market positions and internally financed growth, our portfolio companies have the flexibility and resilience necessary to adapt to the changing global markets.

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## ECO LEADERS® COMPOSITE

Year	Gross-of-Fee Return (%)	Net-of-Fee Return (%)	S&P 500® Return (%)	Russell 3000® Growth Return (%)	Portfolios	Dispersion (%)	Composite 3-Year Ex-Post Std. Dev.	S&P 500® 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	46.13	45.23	18.40	38.26	20	0.32	18.48	18.53	19.87	45.3	8,478.1	4,896.5	13,374.6
2019	33.75	32.89	31.49	35.85	23	0.31	13.31	11.93	13.20	29.7	5,378.3	2,633.2	8,011.5
2018	4.48	3.78	-4.38	-2.12	15	0.10	13.43	10.80	12.29	21.2	4,737.1	1,842.0	6,579.1
2017	24.26	23.35	21.83	29.59	15	0.41	10.69	9.92	10.62	22.3	5,047.9	1,791.1	6,839.0
2016	6.91	6.09	11.96	7.39	15	0.43	12.48	10.59	11.34	18.5	4,686.7	1,546.6	6,233.3
2015	5.00	4.22	1.38	5.09	18	0.23	11.86	10.48	10.80	18.7	5,030.8	1,202.4	6,233.2
2014	0.51	-0.16	13.69	12.44	17	0.40	11.99	8.97	9.74	18.5	5,523.2	1,215.6	6,738.8
2013	40.64	39.31	32.39	34.23	10	0.34	12.76	11.94	12.49	11.3	5,718.3	1,085.7	6,804.0
2012	20.08	18.46	16.00	15.21	7	0.44	15.95	15.09	15.99	4.2	3,225.7	650.8	3,876.5
2011	-0.72	-2.12	2.11	2.18	7	0.06	18.91	18.71	18.17	3.5	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 Eco Leaders® Composite was created in June 2000 and its inception date was 05/31/2000. It is a growth portfolio invested in companies that benefit from having a positive impact on the environment. A complete list and description of all firm composites, including broad and limited distribution pooled funds, is available upon request. The composite benchmarks are the S&P 500® Index and the Russell 3000® Growth Index. The S&P 500® Index includes 500 industry leading companies measuring the performance of the large-cap U.S. equity universe. 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. Composite dispersion is not presented for years with 5 or fewer accounts. 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.

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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 over time 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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