MID CAP GROWTH

Commentary — June 30, 2022

PERFORMANCE *(AS OF 06/30/2022)*

	2Q 2022	YTD	1 Year	3 Year	5 Year	Inception
Riverbridge Mid Cap Growth (Gross)	**-22.20%**	**-33.00%**	**-30.85%**	**4.41%**	**8.53%**	**8.04%**
Riverbridge Mid Cap Growth (Net)	**-22.37%**	**-33.31%**	**-31.44%**	**3.81%**	**7.94%**	**7.47%**
Russell Midcap® Growth	-21.07%	-31.00%	-29.57%	4.25%	8.88%	8.48%

Periods greater than one year are annualized; Inception Date: 6/30/2014

HIGHLIGHTS

- Inflation and rising interest rates continued to roil equities, pushing the equity market into bear market territory
- Strategy modestly underperformed its primary benchmark, with relative performance improving later in the quarter as market participants began to contemplate a slowing economy and the increasing possibility of a recession
- While it is futile to predict when the market will bottom, history suggests the second half of the year following a difficult start tends to be strong

MARKET COMMENTARY

The second quarter of 2022 concluded a first half which was memorable for investors for all the wrong reasons. Accelerating inflation and rising interest rates roiled the financial markets. The selling spared few asset classes. Equities experienced their worst first half since 1970. Many bond indices experienced their worst start in history.

Rates of inflation have hit levels not seen in 40 years. The Federal Reserve has made it abundantly clear that they will take any actions necessary to control inflation, even if doing so induces a recession. During the second quarter, the Fed implemented its largest interest rate increase since 1994. The central bank has also signaled that it intends to raise rates several more times this year.

In response to these events, equities declined sharply, officially moving into bear market territory. Long-duration growth assets suffered the most, as market participants discounted the present value of future earnings. For the full quarter, economically sensitive companies and sectors outperformed, and market participants favored companies with lower valuations and lower expected growth rates. These trends reversed in June, however, indicating a possible shift to more defensive and quality companies as fears of a recession increased.

In the Russell Mid Cap® Growth Index, all sectors generated negative returns. Information Technology, Communications Services, and Consumer Discretionary performed the worst. The more commodity-driven and cyclical Utilities, Energy, and Consumer Staples sectors outperformed the benchmark.

STRATEGY COMMENTARY

The Riverbridge Mid Cap Growth strategy declined approximately 22 percent and underperformed its primary benchmark, the Russell Mid Cap® Growth Index, which dropped just over 21 percent. After continuing to lag the broader market in April and May, however, the portfolio outperformed in June as market participants began to grapple with projections of slowing economic growth and potentially a recession.

The portfolio's investments in the Health Care sector detracted from relative returns. One portfolio holding was negatively impacted by a proposed reimbursement reduction from the Centers for Medicare & Medicaid Services (CMS), while several others continue to grapple with short-term supply and labor constraints. Looking ahead, as supply and demand normalize coming out of the pandemic, we believe our Health Care companies remain well positioned to deliver innovation, improved outcomes, and cost savings to an ecosystem in critical need of all three.

Our investments in the Industrials sector contributed to relative performance. Our Industrials holdings tend to be focused on business services and distribution companies which help their customers operate more efficiently and make better decisions. Such business models also feature strategic customer relationships and high degrees of recurring revenue. These characteristics result in more stable growth patterns relative to companies in more economically sensitive industries like road & rail, airlines, and machinery. As the Federal Reserve intentionally constrains economic growth to bring down inflation, the consistent growth patterns of the strategy's Industrials holdings should help the portfolio's relative results.

Continued on next page…

Throughout the portfolio, we continue to witness our companies exhibit both the culture and financial strength to invest in their capabilities and secular growth opportunities across the business cycle. Regardless of whether we are entering a low growth or recessionary environment, we expect our portfolio companies to consistently build their earnings power thanks to a strategic market position and prudent, internally funded investment in their sustainably differentiated solutions.

One example of a company continuing to build its capabilities in a volatile environment is Ritchie Brothers Auctioneers (RBA). Ritchie Brothers is the leading global industrial auctioneer specializing in selling used equipment in a variety of industries, with a focus on the construction, agriculture, and natural resources markets. Tight supply of equipment is presenting a challenge to the company's growth, but management is executing on initiatives which should enable it to increase its earnings power even in a difficult economic environment. In addition to seamlessly transitioning from live to virtual auctions, Ritchie Brothers is increasing its market share and growing faster than its end market by adding data and other services to the auction process.

OUTLOOK

It is futile to attempt to predict when the market will bottom. History, however, suggests that longer term investors may be at a favorable point. Most of the market pain has likely already been suffered as the equity markets are a forward-looking indicator. Valuations have become more attractive. Investor expectations are low. Most expect the economy, consumer confidence, and other economic indicators to worsen before they improve. The benefit of pessimism is there is likely a greater probability of an upside surprise than downside risk.

Riverbridge portfolio companies are well positioned fundamentally in this economic environment. In a period whereby wage and other input cost inflation is becoming a formidable growth obstacle, many of our portfolio companies deliver goods and services which help corporations control costs, operate more efficiently, and make better decisions. While it is difficult to forecast economic activity levels, market bottoms, and geopolitical risks, the Riverbridge investment team is confident that our companies will continue to build their earnings power by leveraging their strategic market positions. Maintaining a long-term focus is a tremendous advantage in these less certain times.

MID CAP GROWTH COMPOSITE

Year	Gross-of-Fee Return (%)	Net-of-Fee Return (%)	Russell Midcap® Growth Return (%)	Portfolios	Dispersion (%)	Composite 3-Year Ex-Post Std. Dev.	Russell Midcap® Growth 3-Year Ex-Post Std. Dev.	Composite Assets ($ Millions)	TTL Firm Assets ($ Millions)	Advisory Only ($Millions)	Ttl Firm Assets & Advisory Only ($Millions)
2021	7.82	7.11	12.73	<5	N/A	19.50	20.19	0.92	9,408.0	6,149.6	15,557.6
2020	50.16	49.63	35.59	<5	N/A	20.33	21.45	0.57	8,478.1	4,896.5	13,374.6
2019	33.26	32.61	35.47	<5	N/A	14.12	13.88	0.16	5,378.3	2,633.2	8,011.5
2018	-2.33	-2.82	-4.75	<5	N/A	13.66	12.82	0.06	4,737.1	1,842.0	6,579.1
2017	21.80	21.21	25.27	<5	N/A	10.66	10.89	0.07	5,047.9	1,791.1	6,839.0
2016	6.37	5.83	7.33	<5	N/A			0.05	4,686.7	1,546.6	6,233.3
2015	-3.88	-4.35	-0.20	<5	N/A			0.05	5,030.8	1,202.4	6,233.2
2014*	5.57	5.33	5.07	<5	N/A			0.05	5,523.2	1,215.6	6,738.8

Returns are for the period from 06/30/2014 through 12/31/2014.

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 and income oriented investment services which it believes will provide high returns over the long term. The firm's standard fee schedule is an annual 1%.

Composite Characteristics: The Mid Cap Growth Composite was created in June 2014 and its inception date was 06/30/2014. It is a diversified growth stock portfolio invested in 30-55 companies of mid market capitalization size. Effective 09/29/2021, this strategy generally invests in companies with market capitalizations of $5 billion to $90 billion. The general market capitalization guideline can be redefined in due to market appreciation or depreciation. 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 Midcap® Growth Index. The Russell Midcap® Growth Index includes the segment of securities within the Russell Midcap® Index with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap® Index is an unmanaged index measuring the performance of the mid-cap 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 $50,000. Prior to January 1, 2016, the composite minimum value was $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. Gross-of-fee returns are calculated net of transaction costs and gross of management fees. 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. The three-year annualized standard deviation figure presented in 2017 is not presented for years prior as the composite did not have 36 monthly returns as of the specified date. 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 – 12/31/2021. 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 Mid Cap Growth Composite has had a performance examination for the periods 07/01/2014 – 12/31/2021. 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 over time and can result in a loss of portfolio value.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Performance Disclosures:

- 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.
- Past performance does not guarantee future results.
- Performance results do not reflect the impact of taxes.
- It should not be assumed that account holdings will correspond directly to any such comparative benchmark index.
- Comparative indices may be more or less volatile than Riverbridge portfolios.
- Riverbridge performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction charges.
- Information in this document is not intended to be used as investment advice.
- Mention of companies/stocks herein is for illustrative purposes only and should not be interpreted as investment advice.
- The holdings included in this document are for illustrative purposes only and should not be considered a recommendation to purchase or sell any particular security. There is no guarantee that the same or similar holdings will be purchased or held in accounts in the future.