

PERFORMANCE (AS OF 09/30/2019)

	3Q 2019	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Riverbridge Mid Cap Growth	-1.65%	24.89%	4.49%	13.75%	10.40%	N/A	9.41%
Russell Midcap® Growth	-0.67%	25.23%	5.20%	14.50%	11.12%	N/A	10.41%

Periods greater than one year are annualized; Performance is gross of fees; See p3 for net of fees; Inception Date: 6/30/2014

HIGHLIGHTS

- Equity markets finished roughly flat in third quarter 2019 with below average volatility, despite many potentially market shaping events including interest rate reductions, a yield curve inversion, Brexit uncertainty, and impeachment proceedings
- Strategy underperformed its primary benchmark; Industrials and Materials holdings detracted, whereas Consumer Discretionary and Health Care contributed
- Riverbridge continues to focus on identifying companies possessing the ability to grow their business while generating strong free cash flow and without being dependent on the financial markets to finance this growth

MARKET COMMENTARY

The third quarter of 2019 featured dramatic headlines and several “firsts.” In July, in response to softening economic data, the US Federal Reserve lowered interest rates for the first time since 2008. In August, interest rates paid on 10-year Treasury notes fell below those on 2-year Treasury notes (a phenomenon known as “Yield Curve Inversion”) for the first time since 2007. The US Purchasing Managers Index fell below 50, signaling contraction, for first time since 2009. In addition, continuing uncertainty over the terms of Great Britain’s departure from the European Union caused concern about growth overseas. The trading relationship between the US and China seemed to fluctuate daily. Finally, in the last few weeks of the quarter, the US House of Representatives commenced an impeachment investigation against the President.

The historically weak third quarter should have buckled against this backdrop. At a minimum, we should have witnessed breathtaking market volatility. In the end, however, the major market indices were relatively flat with below average volatility. Large Cap indices produced slight gains, outperforming the smaller companies in the Russell 2000 Growth® and Russell 2500 Growth™ indices, which experienced slight declines. Growth stocks outperformed value for most of the period but starting approximately the second week of September through the end of the quarter, value outperformed growth.

STRATEGY COMMENTARY

The Riverbridge Mid Cap Growth strategy slightly underperformed its primary benchmark, the Russell Mid Cap® Growth, during the quarter, and now trails the index by a narrow margin year-to-date. Stock selection in the Industrials and Materials sectors detracted from performance, while our Consumer Discretionary and Health Care investments contributed. In early September, Riverbridge witnessed a rapid rotation away from our high-quality growth style and sharp selloffs of some of our best performing companies year-to-date. For example, long-term holdings such as Veeva Systems, Inc., HEICO Corporation, and Paycom Software, Inc., were relative performance detractors in the third quarter but have all still advanced more than 60 percent in 2019, and we believe remain fundamentally well positioned to continue compounding their earnings power for years to come.

In the third quarter, the Riverbridge investment team responded to the market rotation and changes in the macroeconomic and political environments by largely ignoring them. Our goal remains to outperform the market over the long term, rather than to attempt to anticipate or follow short-term trends. We continue to look to invest in companies can adapt to an ever-changing world, and in many cases even create change.

One example of a portfolio company which has successfully adapted to a changing world is National Instruments Corporation (NATI). We have held an investment in NATI in our Mid Cap Growth portfolio since its inception in 2014, and for considerably longer in other portfolios.

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Market Commentary continued...

NATI is the leading producer of modular electronic test and measurement equipment and software. NATI's products and services enable their customers to validate product designs and manufacturing quality early in the product development process, saving their customers money and lowering the amount of defective or inferior products shipped into the field due to manufacturing defects.

NATI management has deftly anticipated and responded to a constantly changing manufacturing environment. The company has invested in research and development in order to diversify its customer base and serve emerging end markets such as semiconductors (including 5G), automotive, and aerospace, while maintaining its flexible platform for more traditional applications. Since our initial investment in the company, perhaps the biggest change that NATI management has implemented is meeting the increasing demand for software as opposed to hardware to solve their customers' problems. NATI continues to skillfully manage this transition, helping to smooth its revenue profile even as it serves largely cyclical end markets.

OUTLOOK

Many divergent opinions exist regarding equities as we approach the end of 2019. The good news for investors is that earnings expectations remain subdued. Low expectations reduce the overall risk for equities should companies issue conservative earnings guidance. Many potentially market disrupting events will shape the fourth quarter. These include the October Brexit deadline, two tariff implementation dates, Fed meetings and ongoing impeachment hearings.

Riverbridge continues to focus on identifying companies possessing the ability to grow their business while generating strong free cash flow and without being dependent on the financial markets to finance this growth. Our portfolio companies are managed by leaders focused on the next decade and not simply the next year. They are making the proper capital allocation decisions while considering the global economic backdrop. Regardless of market sentiment, our portfolio companies remain well-positioned for growth.

Past performance is not indicative of future results. Mention of companies/stocks herein is for illustrative purposes only and should not be interpreted as investment advice or recommended securities. The securities identified do not represent all of the securities purchased, sold or recommended and the reader should not assume that any listed security was or will be profitable. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Riverbridge) or any other discussion made reference to directly or indirectly in this commentary will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful.

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.

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)	Firm Assets (\$ Millions)
2018	-2.33	-2.82	-4.75	<5	N/A	13.66	12.82	0.06	4,737.1
2017	21.80	21.21	25.27	<5	N/A	10.66	10.89	0.07	5,047.9
2016	6.37	5.83	7.33	<5	N/A			0.05	4,686.7
2015	-3.88	-4.35	-0.20	<5	N/A			0.05	5,030.8
2014*	5.57	5.33	5.07	<5	N/A			0.05	5,523.2

*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-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 Mid Cap Growth Composite was created in June 2014. It is a diversified growth stock portfolio invested in 30-55 companies of mid market capitalization size. This strategy generally invests in companies with market capitalizations of \$3 billion to \$30 billion. A complete list and description of all firm composites 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 composite minimum value is \$50,000. Prior to January 1, 2016, the composite minimum value was \$100,000.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars. 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. 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. Additional information for valuing portfolios, calculating performance and preparing compliant presentations is available upon request.

Other Disclosures: Riverbridge Partners, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Riverbridge Partners, LLC has been independently verified for the periods 12/31/1989 - 12/31/2018. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis, and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Mid Cap Growth Composite has been examined for the periods 07/01/2014 – 12/31/2018. 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.

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.
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