

PERFORMANCE (AS OF 12/31/2018)

	4Q 2018	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Riverbridge Eco Leaders®	-14.56%	4.48%	4.48%	11.54%	7.93%	16.25%	7.15%
Russell 3000® Growth	-16.33%	-2.12%	-2.12%	10.85%	9.99%	15.15%	4.10%
S&P 500®	-13.52%	-4.38%	-4.38%	9.26%	8.49%	13.12%	5.14%

Periods greater than one year are annualized; Performance is gross of fees; See p3 for net of fees; Inception Date: 05/31/2000

HIGHLIGHTS

- Outperformed the broader markets during a turbulent 4Q due to portfolio companies reporting broad fundamental progress
- Information Technology, Industrials, and Materials holdings performed significantly better than benchmark
- Our sustainable and transformative portfolio companies are strategically positioned and poised for continued fundamental success regardless of short-term market movements due to their ability to self-finance growth and generally less economically sensitive business models

MARKET COMMENTARY

The fourth quarter of 2018 provided a fitting end to a turbulent year. This past year forced investors to contend with renewed volatility after a historically placid 2017. In the final three months of the year, US indexes neared bear market territory under the combined influences of inflationary pressures, a hawkish Federal Reserve, trade wars, and decelerating economic growth. In the Russell 3000® Growth index, only one sector - Utilities - generated a positive return. Eight of eleven sectors posted double-digit declines; Information Technology, Consumer Discretionary, and Industrials were the index's biggest detractors. The FAANG stocks (Facebook, Apple, Amazon, Netflix, Google) that led the market's strong returns the first three quarters of 2018 experienced a sharp reversal in the fourth quarter. Except for Google, all FAANG stocks declined more than 20 percent.

PORTFOLIO COMMENTARY

The Riverbridge Eco Leaders® portfolio was not immune to the difficult market in the fourth quarter but nevertheless outperformed its primary benchmark, the Russell 3000® Growth, by nearly two percent. Stock selection in the Information Technology, Industrials, Materials, and Consumer Discretionary sectors contributed to the strategy's relative returns. Being underweight Consumer Staples and Real Estate, two of the benchmark's better performing sectors during the quarter, slightly offset the portfolio's outperformance.

In spite of the market downturn, throughout 2018 Riverbridge's portfolio companies broadly exhibited strong fundamental progress, strengthened their strategic market positions, and

generated compelling returns on their invested capital. For the full year 2018, the Eco Leaders® strategy still generated a positive return of nearly five percent while the Russell 3000® Growth declined two percent.

The Riverbridge Eco Leaders® portfolio is comprised of enduring companies with strong Environmental, Social, and Governance (ESG) advantages we believe positions them for long-term growth and superior capital appreciation. We identify portfolio companies through in-depth research and extensive conversations with management teams and peers, with a focus on the business's strategic market position, the sustainability of its business model and business practices, and the transformative value it offers to its customers, industry, community, and the world.

The Riverbridge Investment Team integrates ESG considerations into our evaluation of every company we own, regardless of whether it's part of the Eco Leaders® portfolio. This is because companies capable of generating long-term earnings power must be thoughtful stewards of all capital within their sphere of influence, be it human, financial, social, or environmental. Businesses that are leaders with respect to ESG factors tend to be positioned to build enduring earnings power through sustainable unit growth and high returns on invested capital.

Furthermore, leaders who are adept at capital allocation are focused on long-term outcomes. Too often, management teams make decisions to drive short-term results at the expense of future earnings power. Riverbridge is relentless in seeking out businesses that are looking a decade down the road, as opposed to trying to hit Wall Street's quarterly estimates.

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Truly sustainable businesses have management teams with the fortitude to eschew the truncated time horizon of the modern investor.

Ultimate Software, Inc. (ULTI) is a prime example of an Eco Leaders® portfolio company with a compelling ESG profile and a long-term oriented management team, two key characteristics in driving their sustained fundamental progress over our holding period, which dates back to 2007. ULTI is a next generation human capital management software-as-a-service (SaaS) provider to mid- and large-sized organizations. Within this critical core function for any business, ULTI has created significant differentiation through its unique culture and the loyal, high caliber employees it attracts, and through wise capital allocation into additional capabilities that add significant value to customers and build ULTI's long-term earnings power.

The Riverbridge Investment Team has interacted with ULTI's entire ecosystem for more than a decade, including customers, employees, and competitors. What stands out consistently is the company's commitment to maximizing the human capital within its sphere of influence, a key social factor for any software company. ULTI hires people, not roles. It seeks values and cultural alignment and consistently provides opportunities for new roles, career development, and exploration. Instead of just asking what a prospective employee brings to the table, ULTI makes a value proposition to new hires: if we are a mutual fit, our goal is to keep you for life. Undoubtedly, ULTI's commitment to providing benefits such as 100% employer-paid health coverage, paid maternity and paternity leave, tuition reimbursement, and paid time off for community service help attract high caliber employees. Throughout our interactions with employees, it is consistently clear that ULTI's management truly embodies its promise to put its people first.

In turn, ULTI's commitment to human capital in turn drives its financial success. Based on extensive interactions with the company and peers, we have gained the insight that the company has the longest tenured and most reputable sales people in the industry. ULTI's loyal, high caliber employees retain clients at a high rate and consistently deliver more value to their customers by understanding their needs and offering additional capabilities that drive higher quality and more efficient human capital management. An industry leading salesforce combined with disciplined capital deployment into developing additional HR capabilities beyond its core payroll solution has allowed ULTI to

increase its per employee per month revenue from \$5 to \$40 over the past 20 years. ULTI's strong ESG characteristics and long-term management position the company to continue to build their enduring earnings power.

OUTLOOK

Market participants will closely monitor corporate earnings in 2019. Investors expect a deceleration in earnings growth following the tax-cut driven 20 percent-plus earnings growth in 2018. However, the magnitude of this deceleration will be telling. According to IBES data, earnings for the S&P 500® are expected to grow eight percent in 2019. Should this figure prove optimistic, the markets will continue to feel pressure. In addition to earnings growth, inflationary pressures will be carefully monitored. With unemployment remaining at a 49-year low, conditions are ripe for wage driven inflation. Modest levels of wage-induced inflation are healthy. Too much of an increase, however, could spur the Fed to enact more interest rate hikes.

Overall, Riverbridge's portfolio companies are poised for continued success. They are less impacted by rising interest rates and borrowing costs because of their ability to internally finance their growth. More importantly, our portfolio companies, in aggregate, continue to exhibit healthy fundamentals and strengthening strategic market positions. Our portfolio companies tend to generate high levels of free cash flow and are generally less economically sensitive relative to the broader markets. This backdrop provides them a good chance to meet success against an uncertain macro backdrop.

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.

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)	Firm Assets (\$ Millions)
2017	24.26	23.35	21.83	29.59	15	0.41	10.69	9.92	10.62	22.3	5,047.9
2016	6.91	6.09	11.96	7.39	15	0.43	12.48	10.59	11.34	18.5	4,686.7
2015	5.00	4.22	1.38	5.09	18	0.23	11.86	10.48	10.80	18.7	5,030.8
2014	0.51	-0.16	13.69	12.44	17	0.40	11.99	8.97	9.74	18.5	5,523.2
2013	40.64	39.31	32.39	34.23	10	0.34	12.76	11.94	12.49	11.3	5,718.3
2012	20.08	18.46	16.00	15.21	7	0.44	15.95	15.09	15.99	4.2	3,225.7
2011	-0.72	-2.12	2.11	2.18	7	0.06	18.91	18.71	18.17	3.5	2,558.0
2010	28.25	26.10	15.06	17.64	<5	N/A				2.0	2,495.0
2009	43.16	40.66	26.46	37.01	<5	N/A				1.1	1,737.1
2008	-38.28	-39.56	-37.00	-38.44	<5	N/A				0.8	989.2

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. 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 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. Prior to 2008, the Russell 2500™ Growth, Russell 1000® Growth, and Russell 2000® Growth indexes were also shown for general market comparison purposes. Composite dispersion is not presented for years with 5 or fewer accounts. The composite minimum value is \$100,000.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars. 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. 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 - 12/31/2017. 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 Eco Leaders Composite has been examined for the periods 06/01/2000 – 12/31/2017. 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.
- Riverbridge performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction charges.
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