MAIRS & POWER

GROWTH *fund*

Fourth Quarter Results

December 31, 2017

FOCUSED INVESTING FOR THE LONG-TERM

MAIRS & POWER

GROWTH *fund* (MPGFX)

Fourth Quarter Market Overview - December 31, 2017

The market started 2017 on a strong positive trend, welcoming the new administration and a Republican Congress in anticipation of investor friendly legislation and de-regulation. The bull market continued its run throughout the year, setting multiple record highs and, as the year came to a close, long-anticipated tax cuts were signed into law delivering a strong year for absolute returns even in conservative portfolios, particularly on the equity side.

For the fourth quarter and full year the S&P 500 Total Return (TR) was 6.64% and 21.83%, and the Dow Jones Industrial Average TR was 10.96% and 28.11%, respectively. Our other key benchmark, the Bloomberg Barclays U.S. Government/Credit Bond Index return was 0.49% and 4.00% for each period.

The market continued to favor large cap technology stocks in 2017, and the Information Technology sector is now both the largest component and the most significant factor in performance of the S&P 500 Index. Driven by a small number of names such as Facebook, Alphabet (Google), Netflix, Microsoft and Apple, the tech sector was up nearly 40% for the year, almost double the overall market.

There is much good news on a macroeconomic level. We are in an environment of widespread, synchronized economic growth around the world, yet inflation remains in check. The U.S. economy extended its most prolonged period of economic growth in recent history, and we ended the year with the third consecutive quarter of better than 3% annualized GDP (gross domestic product) growth. Consumer confidence is at a 17-year high while unemployment is at 17-year low, and small business confidence, the highest in more than a decade, is approaching historic all-time highs.

One cautionary signal is found in the fixed income market. The Federal Reserve (Fed) once again hiked the federal funds rate by 25 basis points in December, and has signaled a continued slow increase in short-term rates in 2018 with at least three rate hikes expected of an estimated 25 basis points each time. As short-term yields rose, the yields on longer maturity securities held fairly constant. While a flattening of the yield curve, which we've seen for several quarters now, often presages a slowdown in the economy. But the interest rate environment is anything but typical right now with more than $9 trillion in foreign government debt instruments issued globally currently trading at negative yields.

Dow Jones Industrial Average TR Index is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. It is not possible to invest directly in an index.

Bloomberg Barclays U.S. Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the U.S. Aggregate Index. It includes investment-grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related and corporate securities. It is not possible to invest directly in an index.

The S&P 500 TR (Total Return) Index is an unmanaged index of 500 common stocks that is generally considered representative of the U.S. stock market. It tracks both the capital gains of a group of stocks over time and assumes that any cash distributions, such as dividends, are reinvested back into the index. It is not possible to invest directly in an index.

Basis point is a unit of measure where one basis point is equal to 1/100th of 1% or 0.01%, or 0.0001.

Future Outlook

The impact of the tax cuts on the economy will be watched closely in the coming year. Prior to the recent move, Congress had enacted seven major tax cuts since the 1960s. The average unemployment rate at the initiation of those earlier tax cuts was seven percent. With an unemployment rate of only four percent now, the current tax cuts provide a fiscal stimulus onto a fully utilized economy, an action which some have likened to "pouring gasoline on a fire."

The corporate tax cut will provide a one-time boost to earnings, especially for domestically oriented companies such as retailers, banks and smaller cap stocks that have little or no international exposure. Large cap companies with significant overseas operations may not see as large a benefit. Companies are likely to use the tax cuts for wage increases, dividend hikes, share buybacks and capital spending. The combination of wage hikes and lower personal taxes could provide a kick to consumer spending which will be positive for the economy. Wage hikes may create inflationary pressures, however, if employers are successful in pushing price hikes to offset higher labor costs. If they are not successful, higher labor costs could begin to pressure profit margins. Either scenario would create a headwind for the market.

For the first time in our memory, the market posted gains every month of 2017. In the ninth year of the second longest bull market in history, investor confidence remains at very high levels. Valuations remain near the high end of historical trading ranges, so the market is not cheap. With corporate earnings up ten percent but the market up twice that in 2017, we believe the anticipated benefits from tax cuts are already substantially priced into stocks. As a result, our outlook is for a flat market in 2018. But even a flat market can provide plenty of opportunities for patient investors with a clear plan and a strategic approach to investing.

Growth Fund Performance Review

The Mairs & Power Growth Fund gained 6.27% in the fourth quarter and 16.52% for the full year 2017. The S&P 500 Total Return (TR) benchmark was up 6.64% and 21.83% for the quarter and full year respectively and the Lipper Multi-Cap Core Funds Index of peers rose 6.21% and 20.54% over the same periods.

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be lower or higher than the performance quoted. For the most recent month-end performance figures visit www.mairsandpower.com or call Shareholder Services at (800)304-7404. Expense Ratio 0.66%.

Small cap stocks have significantly lagged large caps in 2017; relative valuations in small cap stocks have become attractively valued relative to large cap stocks. Because the Fund employs a multi-cap approach, we believe this will provide a tail wind in 2018.

While the Fund enjoyed strong absolute returns in 2017, relative performance for both Q4 and the year was negatively affected by stock selection as well as an underweight position in the Technology sector. Stock selection also hurt relative performance in the Consumer Discretionary sector for the year and the Financial sector for both the fourth quarter and the year because large asset managers outperformed consumer banks and smaller regional banks held by the Fund. Stock selection in the Industrial sector benefited relative performance for both the fourth quarter and the year.

In the current growth-oriented market, with valuations at the high end of historic ranges, we still are finding reasonably priced opportunities to invest in solid companies exhibiting a durable competitive advantage -- even within the Information Technology sector.

Mairs & Power Growth Fund Performers

TOP PERFORMERS

FOURTH QUARTER (9/30/17 - 12/31/17)		YEAR-TO-DATE (12/31/16 - 12/31/17)	
Fastenal Company	14.16%	Graco, Inc.	43.78%
C.H. Robinson Worldwide, Inc.	11.05%	Abbott Laboratories	30.17%
QUALCOMM Inc.	17.88%	Honeywell International Inc.	13.26%
3M Company	6.06%	3M Company	13.08%
Hormel Foods Corp.	7.20%	Proto Labs, Inc.	78.75%

WEAK PERFORMERS

FOURTH QUARTER (9/30/17 - 12/31/17)		YEAR-TO-DATE (12/31/16 - 12/31/17)	
H.B. Fuller Company	-13.62%	Schlumberger, Ltd.	-39.19%
General Electric Company	-33.98%	General Electric Company	-64.75%
U.S. Bancorp	-6.11%	U.S. Bancorp	-15.22%
Schlumberger, Ltd.	-9.28%	General Mills, Inc.	-22.47%
Roche Holdings Ltd.	-7.96%	Bemis Company, Inc.	-19.18%

Performance shown is relative to the S&P 500 TR Index as of December 31, 2017. Relative return is the difference between the absolute return and the performance of the market, in which the position is held. Relative contribution is used for ranking, which considers average daily weightings for each holding. Past performance does not guarantee future results.

CoreSite Realty Corporation (COR) is a new name we began adding in the fourth quarter. The Denver-based REIT (Real Estate Investment Trust) is focused on cloud-based data center outsourcing, operating 20 data centers across eight large U.S. metropolitan areas. The company is well positioned in these markets as the demand for outsourced data center management continues to show strong growth, driven by the rising use of streaming video, adoption of next-generation 5G data networks and the growth of cloud-based computing applications.

Hormel (HRL) is a long-time Mairs & Power holding. Decades ago, the Austin, Minnesota-based food company was a pure commodity processor. Through the years it has successfully transitioned to become a maker of branded, value-added consumer products. That transition was accelerated recently with acquisitions. Acquired brands include Applegate Organic Meats, Skippy Peanut Butter, and CytoSport (the maker of Muscle Milk products). As it moved up the value-chain, Hormel's solid branding and merchandising capabilities strengthened these newly acquired businesses beyond the results they could have achieved as stand-alone entities. The stock sold off sharply earlier last year over market concerns about short-term pricing pressures in the commodity meat processing industry. Because we understood the company's overall strategy and remained confident that the pressures they faced were temporary, we took the opportunity to add to our position. Late last year, the market began to recognize the value creation strategy we have recognized all along and the stock has performed quite well.

Disney (DIS) is another portfolio holding that was up strongly in the fourth quarter. The move was driven by the announcement of a deal to acquire 21st Century Fox's film and television production business as well as a large catalog of movies. The acquisition, which is expected to close in 12 to 18 months, is a smart strategic move by Disney, demonstrating that their growth strategy is all about the content. They are positioning themselves to compete by offering bundles of valuable content whether delivered via cable or on-line streaming.

Almost nine years into the second longest bull market in history, investor confidence remains at very high levels. The recent BitCoin phenomenon has captured a fair amount of attention as well. Amid such headlines of seemingly easy money, it can be tempting for investors to "jump off" their discipline and follow the crowd. That is not what we are going to do.

Over the past few years we have seen retirements of long-serving leaders here at Mairs & Power, with a new generation taking the reins. Even so, our philosophy of long-term value investing will not change. With decades of experience, we know that in times like these, it's important to remain disciplined and stick with what has served us and our investors well over the long-term.

Mark L. Henneman	Andrew R. Adams
Lead Manager	Co-Manager

The Fund's investment objective, risks, charges and expenses must be considered carefully before investing. The summary prospectus or full prospectus contains this and other important information about the Fund and they may be obtained by calling Shareholder Services at (800) 304-7404 or by visiting www.mairsandpower.com. Read the summary prospectus or full prospectus carefully before investing.

BitCoin is a type of digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.

The stocks mentioned herein represent the following percentages of the total net assets of the Mairs & Power Growth Fund as of December 31, 2017: Alphabet Inc. 2.82%, Abbott Laboratories 3.47%, Apple Inc. 0.00%, CoreSite Realty Corp. 0.79%, The Walt Disney Company 2.91%, Facebook 0.00%, Fastenal Company 2.26%, General Electric Company 0.78%, Graco, Inc. 3.80%, H.B. Fuller Company 2.34%, Honeywell International Inc. 4.39%, Hormel Foods Corp. 3.32%, Johnson & Johnson 3.81%, Microsoft 0.00%, Netflix 0.00%, Patterson Companies, Inc. 0.90%, Roche Holdings Ltd. 2.36%, Schlumberger, Ltd 2.07%, Target Corp. 1.35%, 3M Company 3.72%, Western Union Company 1.13%.

All holdings in the portfolio are subject to change without notice and may or may not represent current or future portfolio composition. The mention of specific securities is not intended as a recommendation or an offer of a particular security, nor is it intended to be a solicitation for the purchase or sale of any security.

Average Annual Total Returns (%)

As of 12/31/17	QTR[1]	1 Year	3 Year	5 Year	10 Year
Mairs & Power Growth Fund[2]	6.27	16.52	9.23	13.83	9.21
S&P 500 TR Index[3]	6.64	21.83	11.41	15.79	8.50
Lipper Multi-Cap Core Funds Index[4]	6.21	20.54	10.07	14.24	7.69

Expense ratio 0.66% Inception: 11/07/1958

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. For most recent month-end performance figures visit www.mairsandpower.com or call Shareholder Services at (800) 304-7404.

(1) Periods less than one year are not annualized.

(2) Performance information shown includes the reinvestment of dividend and capital gain distributions, but does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(3) The S&P 500 Total Return (TR) Index is an unmanaged index of 500 common stocks that is generally considered representative of the U.S. stock market. It tracks both the capital gains of a group of stocks over time and assumes that any cash distributions, such as dividends, are reinvested back into the index. It is not possible to invest directly in an index.

(4) Lipper Multi-Cap Core Funds Index measures the performance of the 30 largest mutual funds that invest in a variety of capitalization ranges, without concentrating 75% or more of their equity assets in any one market capitalization range over an extended period of time, as determined by Lipper, Inc. It is not possible to invest directly in an index.

All investments have risks. Mairs & Power Growth Fund is designed for long-term investors.

The Fund's share price can fall because of weakness in the broad market, a particular industry or specific holdings. Investments in small and midcap companies generally are more volatile. International investing risks include among others political, social or economic instability, difficulty in predicting international trade patterns, taxation and foreign trading practices and greater fluctuations in price than U.S. corporations.

This commentary includes forward-looking statements such as economic predictions and portfolio manager opinions. The statements are subject to change at any time based on market and other conditions. No predictions, forecasts, outlooks, expectations or beliefs are guaranteed.

ALPS Distributors, Inc. is the Distributor for Mairs & Power Funds.

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