MAIRS & POWER

GROWTH *fund*

Second Quarter Results

June 30, 2017

FOCUSED INVESTING FOR THE LONG-TERM

GROWTH *fund* *(MPGFX)*

Second Quarter Market Overview - June 30, 2017

With the baseball season in full swing, the current stock market could be described as betting on a few "home run hitters" that have driven much of the market's performance this year. These mostly large cap tech stocks such as Apple, Amazon, Google parent Alphabet, Facebook, and Netflix, have benefited as investors "grab for growth." This is a typical pattern in the latter stages of a recovery, further reinforced by the large amounts of money pouring into passive investment funds where these stocks make up a large portion of the market basket.

For the second quarter and first half, the S&P 500 Total Return (TR) was 3.09% and 9.34%, and the Dow Jones Industrial Average TR was 3.95% and 9.35%, respectively. Our other key benchmark, the Bloomberg Barclays Government/Credit Bond Index return was 1.69% and 2.66%, respectively.

Dow Jones Industrial Average TR Index is a price-weighted average of 30 significant stocks traded on the New York Stock Enchange 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.

Future Outlook

While the market run up since the election of Donald Trump and a Republican Congress last fall had been explained in part by market expectations for regulatory relief and lower taxes, political gridlock has tempered those expectations for the near-term. In fact, as we pointed out last quarter, another explanation for the current strong market can be found in the fundamentals.

Between mid-2015 and mid-2016 we experienced four straight quarters of declining earnings for the S&P 500 before earnings again turned positive in the third quarter of last year. We are once again seeing steady growth with four consecutive quarters of year over year improvement, reaching 14% growth in Q1 and continued growth in Q2. And it's not just the U.S. that is exhibiting fundamental improvement. European economies are clearly improving, benefiting globally exposed U.S. companies as well as overseas stocks. Although the market's price earnings ratio is near the high end of its 10-year range, making the market look expensive, reacceleration of both revenue and earnings growth supports current valuations. While second quarter earnings have yet to be reported, we expect the positive trend to continue and project that earnings growth could be in the range of 10% for the full year.

We are now eight years into the current cycle. The unemployment rate continues to drop, resulting in a tight labor market which would typically put upward pressure on wages, causing some to worry about inflation. But wage growth and inflation remain subdued. As it attempts to keep the economy on a steady course without overheating, the Federal Reserve (Fed) raised interest rates in mid-June, the fourth rate hike this cycle, and we expect at least one additional hike this year. Even with higher rates, our estimate for gross domestic product (GDP) growth remains between two and two-and-one-half percent for the full year. An environment of steady economic growth, low inflation and increasing earnings bodes well for stocks. However, given current valuations, the market could be unforgiving if earnings disappoint.

Price Earnings Ratio is the ratio of a company's share price to its per-share earnings.

Growth Fund Performance Review

The Mairs & Power Growth Fund gained 2.62% in the second quarter and 7.91% for the first half of 2017, slightly behind the S&P 500 Total Return (TR) benchmark which was up 3.09% and 9.34% over the same periods, as well as the Lipper Multi Cap Core Funds Index of peers, which was up 2.86% and 8.60% respectively. Heath Care and Industrials sectors were the largest positive contributors to the Fund's relative performance in the first half as the sectors performed well and stock selection remained a positive factor.

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%.

The market continued its strong post-election performance through the first half of 2017 but, as was pointed out in the Market Overview above, much of the performance was due to the market betting on a few "home run hitters," mostly large cap tech stocks. By contrast, the Mairs & Power Growth Fund invests in companies of different sizes across a variety of industries, but with one common characteristic. We focus on solid companies that possess durable competitive advantages and hold those stocks for a long time. Successful over the long-term, our investment approach tends to lag the market late in the cycle. We believe this is happening again.

But, like a successful baseball team made up of strong players contributing throughout the season, lasting investment success is built on a portfolio of strong companies contributing at different

Mairs & Power Growth Fund Performers

TOP PERFORMERS

SECOND QUARTER (3/31/17 - 6/30/17)		YEAR-TO-DATE (12/31/16 - 6/30/17)	
Graco, Inc.	12.99%	Baxter International Inc.	27.20%
Bio-Techne Corporation	12.50%	Graco, Inc.	22.18%
Toro Company	7.84%	Medtronic, Inc.	15.26%
Medtronic, Inc.	7.08%	Toro Company	14.50%
3M Company	5.72%	3M Company	7.25%

WEAK PERFORMERS

SECOND QUARTER (3/31/17 - 6/30/17)		YEAR-TO-DATE (12/31/16 - 6/30/17)	
Schlumberger, Ltd.	-18.79%	Target Corp.	-36.95%
Fastenal Co.	-18.57%	Schlumberger, Ltd.	-30.91%
C.H. Robinson Worldwide, Inc.	-14.23%	General Mills, Inc.	-19.65%
The Walt Disney Company	-9.39%	Bemis Company, Inc.	-12.62%
Bemis Company, Inc.	-8.43%	U.S. Bancorp	-8.27%

Performance shown is relative to the S&P 500 TR Index as of June 30, 2017
Past performance does not guarentee future results.

times through a full investment cycle. While we continue to look for good companies with durable competitive advantages, the stocks of those companies can be overlooked in a narrow, growth-obsessed market such as the current one.

For example, the market's continued focus on stocks like Amazon, a company that has arguably transformed the retail landscape, can create an overly simplistic view of real value elsewhere. Fastenal (FAST), a Winona, Minnesota-based industrial supplier that has long been a portfolio holding, is a case in point. As the internet makes physical retail stores less relevant, Fastenal is successfully competing in this new world by placing facilities right in its customers' plants. With its physical locations on-site at customer locations, Fastenal has made it difficult for competitors to gain a toehold. But the market has misinterpreted the company's strategy, focusing on gross margins which are under pressure as Fastenal gives customers price concessions to gain this physical on-site advantage. Fastenal's approach delivers an extremely attractive return on invested capital because the company can reduce investments in its own brick and mortar stores.

Graco (GGG), a Minneapolis-based company focused on industrial and commercial fluid management systems, is another example. The stock has also been a good long-term holding that struggled in 2014 – 2015 as the industrial sector underperformed. When the company's end markets were weak, the company invested in expanded distribution and product innovation. We remained confident in management's ability to manage through the economic cycle. Now Graco is seeing strength across all business lines and geographic markets and its cost discipline allows improvements to go right to the bottom line. We think both Fastenal's and Graco's strategies are the right ones for long-term business success and attractive investment returns.

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.

The stocks mentioned herein represent the following percentages of the total net assets of the Mairs & Power Growth Fund as of June 30, 2017: Alphabet Inc. 1.55%, Amazon.com, Inc. 0.00%, Apple 0.00%, Baxter International Inc. 1.09%, Bemis Co. 2.92%, Bio-Techne Corp. 2.30%, C.H. Robinson Worldwide, Inc. 1.91%, Facebook, Inc. 0.00%, Fastenal Company 1.44%, General Mills 2.45%, Graco, Inc. 4.16%, Medtronic PLC 4.00%, Netflix, Inc. 0.00%, Schlumberger, Ltd. 2.07%, Target Corp. 1.39%, Toro Company 2.75%, 3M Co. 4.17%, U.S. Bancorp 4.60%, The Walt Disney Company 2.93%.

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 6/30/17	QTR[1]	1 Year	3 Year	5 Year	10 Year
Mairs & Power Growth Fund[2]	2.62	12.13	7.79	14.09	8.05
S&P 500 TR Index[3]	3.09	17.90	9.61	14.63	7.18
Lipper Multi-Cap Core Funds Index[4]	2.86	18.14	7.56	13.64	6.29

Expense ratio 0.66% Inception: 11/07/1958

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(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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W-1520 FIRST NATIONAL BANK BUILDING
332 MINNESOTA STREET
ST. PAUL, MN 55101

TEL. 800-304-7404
FAX. 651-287-0119
mairsandpower.com