MARCH 31, 2022

Growth Fund

FIRST QUARTER RESULTS

MAIRS & POWER

Focused Long-term Investing

Market Overview | First Quarter 2022

While COVID-19 certainly hasn't disappeared, the rates of infection have finally come down from their peak. But if we expected that to result in a calm market, those hopes were shattered in the first quarter of 2022. Russia's unprovoked attack on Ukraine threatens to disrupt global supplies of oil and gas, agricultural products, chemicals, and some metals. Even before the attack began, the U.S. was experiencing its highest rate of inflation since the 1980s. It's most noticeable at the gas pump, but food, retail, and home energy prices also are taking a bigger bite out of budgets. Add to that the outlook for interest rate increases, and what was a steadily rising stock market turned more volatile.

Still, most economic indicators continue to look good. The ISM indices for manufacturing and services, though they've declined somewhat from their highs, are still above 50, indicating broad-based economic expansion. Retail spending rose 0.3% in February, a slowdown from January's 4.8% jump but still an increase of nearly 18% from a year ago. In February, domestic airline ticket bookings rose above 2019 levels for the first time since March 2020. Job growth numbers are strong, new job openings remain near all-time highs, and unemployment claims continue to be near 50-year lows. In addition, wages have been growing at an annual rate between 5% and 6%, helping to push consumer spending higher.

After closing at an all-time high of 4,797 on January 3, the S&P 500 dropped 13% to 4,171 on March 8, before rallying back to close the quarter at 4,530, down 4.95%. The dividend index of the S&P 500 Total Return (TR) was -4.60%. The Dow Jones Industrial Average TR was -4.10%, and the Bloomberg U.S. Government/Credit Bond Index fell 6.33%.

Future Outlook

The overriding economic concern going forward remains inflation. In March, the consumer price index hit an annual rate of 8.5%, the highest rate since January 1982. The Federal Reserve (Fed) is determined to get inflation under control. On March 16, the Fed took the first step to move interest rates back toward normal by raising the Federal Funds rate a quarter of a percent. Several more hikes are likely this year. But as long as supply chains remain snarled, it may be difficult for those rate increases to bring inflation down significantly.

Institute for Supply Management (ISM)-Manufacturing Index monitors employment, production, inventories, new orders and supplier deliveries and is based on surveys of more than 300 manufacturing firms by the ISM.

Consumer Price Index measures the average change in prices over time that consumers pay for a basket of good and services.

Past performance is not a guarantee of future results.

Future Outlook continued

Meanwhile, earnings growth remains on track, and earnings are the most important driver of stock prices. After an earnings increase of 47.7% in 2021, the current consensus estimate calls for growth of 9.5% in 2022. Thanks to the first quarter's selloff, stock valuations have come down. The price/earnings ratio of the S&P 500, at 19.5 times earnings, ended the quarter about 15.7% above its 10-year average, down from 26.8% at the end of 2021. The price-to-earnings multiple on the S&P Midcap 400 is at 14.1 times earnings, 16.8% below its 10-year average. This makes midcap companies particularly appealing, and we will be digging deeper there for new opportunities.

One sector we will continue to steer clear of is Energy. True, the sector has been booming. The S&P 500 Energy Index reached its highest price since 2015 on March 25 at $601.34, and it closed the quarter up 39.03%. But we believe the current oil and gas price boom will be short-lived, and we've always taken the long view. With more alternative energy options being explored and work being done to slow emissions, traditional oil and gas companies will be challenged to maintain profitability. Though alternative energy companies and products are still in their infancies, we believe that there is investment potential there.

The price of oil has been one of the chief drivers of inflation. Given our underweight exposure to Energy stocks and overweight to Materials companies that rely heavily on oil derivatives as inputs, the hyperinflation (more than 70 percent higher year-over-year) of petroleum prices was very difficult to overcome in the first quarter. But we expect this hydrocarbon market environment to reverse in the long run. In fact, looking beyond sectors particularly impacted by fossil fuel costs, most of our portfolio has managed normal product inflation quite well.

Fund Reorganization Approved

On March 30, 2022, the shareholders of the Growth Fund, the Balanced Fund, and the Small Cap Fund approved a proposal to transition each Fund from the Mairs & Power Funds Trust into Trust for Professional Managers (TPM). We thank shareholders for their votes in favor of this reorganization. We know that this proxy vote caused some difficulties, and we apologize for the inconvenience. We are confident that this reorganization is in the best interest of our shareholders.

Each Fund will transition to a TPM structure at the close of business on April 29, 2022. There will be no changes to the Funds' investment objectives, principal investment strategies, principal risks, investment adviser, or portfolio management teams. The reorganization will allow the Funds greater access to legal, research, and operational resources and will provide potential opportunities for lowering expenses.

The price-earnings ratio, also known as P/E ratio, is the ratio of a company's share price to the company's earnings per share.

Performance Review

In the first quarter of 2022, the Mairs & Power Growth Fund fell 7.28%, compared to declines of 4.60% for the S&P 500 TR and 5.13% for its peer group as measured by the Morningstar U.S. Fund Large Blend Index.

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 the most recent month-end performance figures, please call Shareholder Services at (800) 304-7404. Expense Ratio 0.64%.

Both sector allocation and stock selection negatively impacted Fund performance relative to the S&P 500. While most sector allocation contributed positively, it was overwhelmed by the Fund's underweight in Energy, which we exited this year. Energy is a small sector in the S&P 500 at about 3.5%, but it significantly outperformed the rest of the index in Q1. Given our long-term philosophy and the negative demand outlook for fossil fuels, we are continuing to avoid the sector and believe that over the long term the supply demand equation will turn more negative, which will result in lower energy prices and sector underperformance.

During the quarter, the Fund's stock selection was strongest in Communication Services. Activision (ATVI) performed well thanks to the takeout offer from Microsoft (MSFT). Alphabet (GOOG) also added modestly to relative performance, continuing its strong momentum from last year.

In Consumer Staples, both of our holdings, Hormel (HRL) and Sysco (SYY), held up better than the market. As the economy reopens and consumers return to restaurants and institutional food services, both companies should benefit. It also helps that both have significant product offerings that help customers facing difficult labor constraints.

Healthcare was another area of relative outperformance as the Fund's larger positions in Medtronic (MDT) and UnitedHealth (UNH) benefitted the portfolio. We consider these two Minnesota companies strong safe havens during economic uncertainty. And like Consumer Staples, Healthcare tends to hold up better in tough markets.

But poor performance by stocks held in the Industrial and Materials sectors overwhelmed positive selection in the other areas of the portfolio.

Within Industrials, large holdings in Toro (TTC) and Graco (GGG) significantly hurt first-quarter relative performance. Both stocks have struggled as supply chain disruptions and input costs continue to weigh on results. In Materials, the story is similar for Ecolab (ECL) and Sherwin-Williams (SHW). While all these companies have taken pricing action to offset higher raw material, labor, and freight costs, they have been unable to get ahead of inflation. The result is pressured operating margins and stock underperformance. We believe these companies have significant pricing power and will eventually be able to pass on higher costs. But that could take time, especially for parts of the businesses operating under longer-term contracts. Another headwind to these stocks in the quarter was a slowing housing market due to higher mortgage rates and lower consumer confidence. Unfortunately, it could take longer for these trends to improve.

During the quarter, we added JPMorgan (JPM) and Northern Trust (NTRS), two Financial companies that are more value-oriented and will likely benefit in a rising interest rate environment. JPMorgan has been held for many years in the Mairs & Power Balanced Fund, and with its reasonably attractive valuation, the time seemed right to start a modest position in the Growth Fund. As a value stock, it provides a bit of balance to the Fund's growth-oriented portfolio. Northern Trust is a bit more of a growth holding. It provides asset management to investors, particularly high-net-worth individuals, and it has a strong competitive position thanks to its reputation for unmatched, high-touch service. While the company is not quite in our backyard, its Chicago headquarters gives us easy access to management.

Overall, we are disappointed in the underperformance in the quarter but happy with the competitive positions of our holdings. We expect they will perform well in an inflationary environment, but we understand that it could take a little longer than one quarter for that to pan out.

Andrew R. Adams, CFA
Lead Manager
above left

Pete J. Johnson, CFA
Co-Manager
above right

Mairs & Power Growth Fund Contributors

Year-to-Date (%) 12/31/2021—3/31/2022

TOP CONTRIBUTORS		BOTTOM CONTRIBUTORS	
Activision Blizzard, Inc.	21.49	Sherwin-Williams Company	-29.12
Medtronic Plc.	7.25	Ecolab Inc.	-24.74
Hormel Foods Corporation	5.59	Littelfuse, Inc.	-20.74
Johnson & Johnson	3.60	Bio-Techne Corporation	-16.29
UnitedHealth Group Inc.	1.56	Microsoft Corporation	-8.33

Top and bottom contributors are securities that were selected based on their contribution to the portfolio as of March 31, 2022. Then the performance number shown is total return of the security for the period. Total return is amount of value an investor earns from a security over a specific period and when distributions are reinvested. Past performance does not guarantee future results.

Average Annualized Returns (%) as of 03/31/2022

Fund/Index	1 YR	5 YR	10 YR	25 YR	SINCE INC
Mairs & Power Growth Fund[1]	**11.75**	**13.74**	**13.28**	**11.12**	**11.54**
S&P 500 TR Index[2]	15.65	15.99	14.64	9.44	10.58
Morningstar Large Blend Category[3]	11.43	13.51	12.34	7.90	—

Expense Ratio 0.64% | Inception 11/7/1958

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[1] 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.

[2] S&P 500 TR Index is an unmanaged index of 500 common stocks that is generally considered representative of the U.S. stock market.

[3] Morningstar large-blend portfolio are fairly representative of the overall U.S. stock marketing in size, growth rates, and price. Stocks in the to 70% of the capitalization of the U.S equity market are defined as large-cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios tend to invest across the spectrum of U.S. industries, and owing to their broad exposure, the portfolios' returns are often similar to those of the S&P 500 Index.

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.

Bloomberg 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.

S&P 400 Midcap Index TR Index is an unmanaged index of 400 mid-cap stocks that generally covers over 7% of the U.S. equities market.

One cannot invest in an index.

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

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 March 31, 2022: Activision Blizzard Inc. 0.00%, Alphabet Inc. 7.00%, Bio-Techne Corp. 2.88%, Ecolab Inc. 3.37%, Graco Inc. 2.87%, Hormel Foods Corp. 2.70%, Johnson & Johnson 2.52%, JPMorgan Chase & Co. 0.64%, Littelfuse, Inc. 2.16%, Medtronic Plc 3.08%, Microsoft Corp. 8.03%, Northern Trust Corp. 0.78%, Sherwin Williams Co. 1.87%, Sysco Corp. 1.57%, Toro Company 2.44%, UnitedHealth Group Inc. 5.44%.

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.

Equity investments are subject to market fluctuations and the Fund's share price can fall because of weakness in the broad market, a particular industry or specific holdings. Investments in small and mid-cap 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.

Foreside Fund Services, LLC. is the Distributor for Mairs & Power Funds.

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