

## 2019 Q2 Clarkston Partners Fund Commentary

### Fund Performance Summary

Performance as of 6/30/2019 (annualized for periods over one year)						
	QTD	YTD	1 Yr	5 Yr	10 Yr	Inception*
Clarkston Partners Fund						
<i>Institutional Class</i>	3.12%	14.17%	2.76%	N/A	N/A	8.96%
<i>Founders Class</i>	3.19%	14.31%	2.88%	N/A	N/A	9.11%
Russell 2500™ Index	2.96%	19.25%	1.77%	N/A	N/A	10.22%

Source: ALPS

As identified in the current Fund prospectus, gross expense ratios were 0.94% and 1.10%, respectively, and net expense ratios were 0.85% and 1.00%, respectively, for the Founders Class and the Institutional Class. Clarkston Capital Partners has limited certain expenses of the Fund since inception and has contractually agreed to limit certain expenses of the Fund through at least January 31, 2020. The Fund's total returns would have been lower if Clarkston Capital Partners had not limited expenses during those periods.

Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance data may be higher or lower than actual data quoted. For the most current month-end performance data please call 1.844.680.6562. Performance less than 1 year is cumulative.

\* Inception: 9/15/2015

### Market Overview and Fund Attribution

Equity markets have rebounded in 2019 following a double digit drop in the fourth quarter of 2018. For the quarter ended June 30, 2019, the Russell 3000® Index rose 4.10%, with both large-cap and small-cap companies contributing positively. For the calendar year-to-date ended June 30, the Russell 3000® Index was up a whopping 18.71%. "Growth" businesses, as categorized by FTSE Russell, continue to outperform "value" companies. For the five-year period ended June 30, 2019 the annualized return of the Russell 3000® Growth Index has nearly doubled that of the Russell 3000® Value Index 13.02% to 7.31%.

We do not subscribe to the categorization of businesses as either "growth" or "value". We seek to invest in "quality" businesses, or those that possess consistently high Cash Returns on Net Operating Assets (CRONOA), competitive advantages, and candid management teams that proficiently allocate capital. In our opinion, quality is growth agnostic; quality businesses inhabit both growth and value indices. Still, the market's obsession with owning growth regardless of price has affected our investment decisions over the past several quarters.

We are finding little opportunity at the high end of our quality spectrum. The highest quality businesses in our investment universe, or those that possess less cyclical and highly recurring revenue streams, low debt,

and higher growth profiles, are in high demand. Their share prices have been driven upwards so that we have grown uncomfortable with their valuations. We have capitalized on the market's love for these businesses by selling them at prices that cannot support our assessment of their value.

In contrast, some Clarkston Bench Companies considered "value" businesses by FTSE Russell are unloved and trading at attractive

Top/Bottom 5 Contributors to Performance Q2 2019				
	Contribution	Total Return	Avg. Wgt.	
Top 5	Legg Mason, Inc.	1.76%	39.86%	5.50%
	Brown & Brown, Inc.	0.69%	13.77%	5.25%
	LPL Financial Holdings, Inc.	0.68%	17.48%	4.40%
	Willis Towers Watson PLC	0.56%	9.42%	6.03%
	Broadridge Financial	0.55%	23.59%	2.67%
Bottom 5	Molson Coors Brewing Co.	-0.17%	-5.54%	2.89%
	Affiliated Managers Group	-0.24%	-13.87%	2.39%
	Waters Corp.	-0.31%	-14.49%	1.87%
	CDK Global Inc.	-0.51%	-15.67%	3.05%
	Stericycle, Inc.	-0.94%	-12.03%	7.39%

Source: FactSet

Information subject to change.

valuations. These are still high-quality businesses, but they may operate in slightly cyclical end markets and possess less recurring revenue, higher but manageable debt levels, and conservative growth prospects. Equity investors, in their quest for growth, have ignored these businesses, sending their share prices downward to attractive valuations. Hence, the higher level of purchase activity, especially during the volatility experienced in the quarter ended December 31, 2018.

Valuations aside, we would rather own the highest quality businesses in the world. But we cannot control other investors and the elevated prices they are willing to pay for these businesses. However, we can control our investment philosophy and process. Therefore, we will continue to exercise patience, hold cash when opportunities are scarce, and act aggressively when the market provides us with opportunities.

Sector Attribution Q2 2019	Clarkston Partners Fund			Russell 2500™ Index			Variation			Attribution Effect		
	Average Weight	Total Return	Contrib. to Return	Average Weight	Total Return	Contrib. to Return	Avg. Wgt. Difference	Total Ret. Difference	Contrib. Difference	Allocation	Selection	Total Effect
<b>Total</b>	<b>100.00%</b>	<b>3.36%</b>	<b>3.36%</b>	<b>100.00%</b>	<b>2.96%</b>	<b>2.96%</b>	<b>0.00%</b>	<b>0.40%</b>	<b>0.40%</b>	<b>-0.04%</b>	<b>0.44%</b>	<b>0.40%</b>
Financial Services	35.98%	14.65%	4.89%	26.70%	4.06%	1.04%	9.27%	10.59%	3.84%	0.07%	3.49%	3.57%
Producer Durables	19.59%	-6.57%	-1.33%	14.85%	6.21%	0.93%	4.74%	-12.78%	-2.26%	0.15%	-2.55%	-2.39%
Consumer Discretionary	9.91%	1.40%	0.18%	14.19%	1.23%	0.17%	-4.28%	0.18%	0.01%	0.09%	0.03%	0.11%
Consumer Staples	5.96%	-3.92%	-0.25%	2.33%	-4.45%	-0.11%	3.62%	0.54%	-0.14%	-0.23%	0.03%	-0.20%
Technology	3.69%	-14.60%	-0.41%	14.25%	4.21%	0.58%	-10.56%	-18.80%	-0.99%	-0.06%	-0.69%	-0.74%
Materials & Processing	0.68%	10.10%	0.18%	6.87%	3.75%	0.27%	-6.19%	6.35%	-0.09%	-0.06%	0.13%	0.07%
Health Care	0.00%	0.00%	0.00%	12.76%	2.42%	0.35%	-12.76%	-2.42%	-0.35%	0.04%	0.00%	0.04%
Utilities	0.00%	0.00%	0.00%	4.34%	1.28%	0.05%	-4.34%	-1.28%	-0.05%	0.09%	0.00%	0.09%
Energy	0.00%	0.00%	0.00%	3.14%	-9.44%	-0.33%	-3.14%	9.44%	0.33%	0.41%	0.00%	0.41%
Cash	24.19%	0.41%	0.10%	0.00%	0.00%	0.00%	24.19%	0.41%	0.10%	-0.57%	0.00%	-0.57%

Fund attribution based on security returns and does not reflect deductions for fees and expenses. Source: FactSet

Information Subject to change.

Past performance does not guarantee future results.

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Data as of 6/30/2019. Document expires 10/31/2019.

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## DISCLOSURES

**An investor should consider investment objectives, risks, charges and expenses carefully before investing. Visit [www.clarkstonfunds.com](http://www.clarkstonfunds.com) to obtain a Prospectus which contains this and other information, or call 1.844.680.6562. Read the Prospectus carefully before investing.**

Risks: As with any mutual fund, there are risks to investing. There is no guarantee that the Fund will meet its investment objective. The Fund is non-diversified, which means that it may invest a significant portion of its assets in a relatively small number of issuers and could experience greater price volatility. The Fund will invest in equity securities. Equity securities (which generally include common stocks, preferred stocks, warrants, securities convertible into common or preferred stocks and similar securities) are generally volatile and more risky than some other forms of investment. The securities of small-cap and mid-cap companies may be subject to more abrupt or erratic market movements and will generally experience greater price volatility. Cash does not fluctuate with the market like stocks, and potentially bonds, but cash is subject to inflation risk. It is possible to lose money on an investment in the Fund. Investments in the Fund are not deposits or obligations of any bank, are not endorsed or guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

The Fund seeks long-term capital appreciation by investing primarily in equity securities of U.S. small- and medium-capitalization ("SMID") companies. The Fund primarily invests in companies with a market capitalization below that of the largest company based on market capitalization in the Russell 2500™ Index at the time of initial purchase.

The Russell 2500™ Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500™ Index is a subset of the Russell 3000® Index. It includes approximately 2,500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500™ Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. Index performance information was furnished by sources deemed reliable and is believed to be accurate, however, no warranty or representation is made as to the accuracy thereof and the information is subject to correction.

Russell defines growth companies as those with relatively strong growth characteristics assessed on various criteria related to past and expected future revenue and earnings growth. Value companies are defined as those with relatively low valuation measures.

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You cannot invest directly in an index. Although reinvestment of dividend and interest payments is assumed, no expenses are netted against an index's return.

Sector weights and performance are calculated using Russell Global Sectors. "Clarkston Bench Companies" are the businesses that we have determined meet our quality standards and are eligible for portfolio inclusion when the price of the stock meets our valuation standards.

Top ten holdings of the Fund as of June 30, 2019 were: Stericycle, Inc. (6.95%), The Western Union Co. (6.27%), Willis Towers Watson PLC (6.24%), Legg Mason, Inc. (5.97%), Brown & Brown, Inc. (5.28%), LPL Financial Holdings, Inc. (4.43%), Nielsen Holdings PLC (4.12%), Molson Coors Brewing Co. (3.04), CDK Global, Inc. (2.95%), and Actuant Corp. (2.94%). References to Fund holdings are not recommendations to buy, hold or sell any securities and portfolio holdings are subject to change. The top ten holdings represent the ten largest equity holdings by weight in the Fund. The top ten holdings and contributors and detractors depict equity holdings only and do not display cash. To obtain the performance calculation methodology for the contributors and detractors to performance and documentation showing every Fund portfolio holding's contribution to the overall Fund performance during the quarter, please call 248-723-8000.

This commentary is for informational purposes only, is the opinion of the author at the time of publication, and is subject to change without notice.

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