

Palisade Asset Management was founded in 2002 by experienced investment professionals to provide investment management and wealth advisory services to high net worth individuals and families, corporations, foundations, endowments, and other nonprofit entities.

PALISADE'S INVESTMENT PHILOSOPHY

Palisade portfolios are built on our philosophy of carefully selecting high quality individual securities. We perform an in-depth analysis and review on each security prior to purchasing such security for clients. We generally own growth stocks for our equity portfolios which are bought at reasonable valuations. Since our stocks are of higher quality, we traditionally hold them for longer periods of time to maximize tax efficiency and allow the power of compounding to build wealth for our clients. In addition, our emphasis on high quality securities has historically provided lower portfolio volatility.

CORE GROWTH EQUITY INVESTMENT STRATEGY

The Core Equity strategy's long-term success can be attributed to the utilization of a disciplined diversification process combined with a rigorous proprietary review process developed and refined over several decades of investment management experience.

Invest in High Quality Growth Stocks

- Highly stable and strong growth of earnings
- Quality and stability protect principal value in down markets
- Invest in high quality growth stocks with an emphasis on owning upper Midwest companies

Flexible Portfolio Concentration

- Offers flexibility to match client specific needs
- Generally holds 40–50 stocks; \$1 billion market cap and greater
- Diversified across most economic sectors

Invest for the Long Term

- Buy companies to own, not stocks to trade
- Companies purchased at lower end of historical valuation range
- Lower turnover, higher tax efficiency

TOP TEN HOLDINGS*

Security	Portfolio %
Microsoft Corp.	2.5%
Abbott Laboratories	2.5%
Cisco Systems	2.2%
PepsiCo, Inc.	2.2%
Johnson & Johnson	2.2%
3M Company	2.2%
U.S. Bancorp	2.1%
Stryker	2.0%
Amgen Inc.	1.9%
Procter & Gamble	1.9%
Total	21.7%

INVESTMENT PROCESS

The Core Equity strategy is a four step process conducted by Palisade investment professionals. The first stage is to identify structural drivers that produce investment opportunities. The next stage would be to identify the sectors or industries that would benefit from this structure driver. The third stage is our stock selection within those sectors or industries. Our focus is on owning high quality established and understandable businesses. We look for leaders within their industries that are led by strong management teams and are committed to growing long-term shareholder value. The final stage is to construct individual portfolios designed to meet the specific needs of our clients. A Core Equity portfolio will generally follow these guidelines.

- Not more than 5% in any one security
- The number of individual stocks in a portfolio is approximately 40-50
- Exposure to at least 8 of 11 economic sectors
- No more than 2.5 x a market weighting in any one economic sector
- No more than 30% in any one economic sector

Ultimately, the Core Equity process is designed to produce long-term growth, to be diversified by sectors and industries, to hold high quality individual stocks, and to be flexible in order to meet the specific needs of our clients.

PORTFOLIO MANAGEMENT TEAM

Paul J. Kronlokken, CAIA

As the co-portfolio manager of Palisade's Core Growth Equity strategy, Paul has over thirty years of wealth management and portfolio management experience. Prior to joining Palisade, Paul was a senior portfolio manager at U.S. Trust Company, Piper Jaffray, and Perkins Capital Management. He received his B.S. in Finance and Economics from the Carlson School of Management at the University of Minnesota.

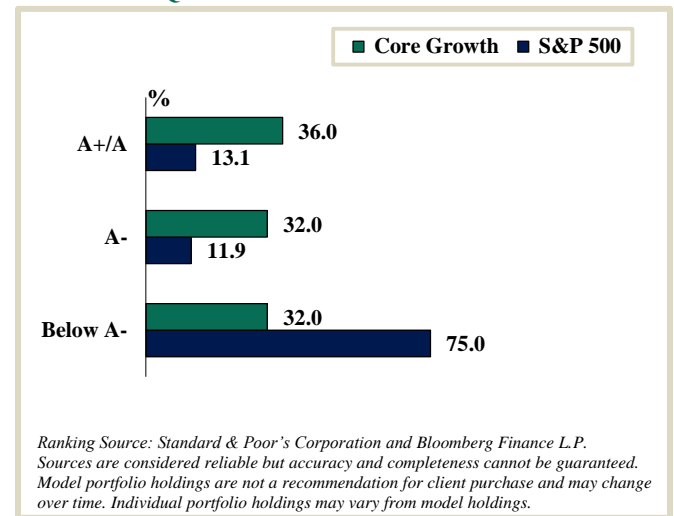
Dennis M. Ott, CFA

As the co-portfolio manager of Palisade's Core Growth Equity strategy, Dennis has over thirty years of portfolio management experience. Prior to joining Palisade, Dennis was a senior portfolio manager at U.S. Trust Company, Fortis Advisers, and First Trust of St. Paul (now First Asset Management). Dennis received an M.B.A in Finance and Marketing from Northwestern University, and a B.S. in Finance and Economics from Valparaiso University.

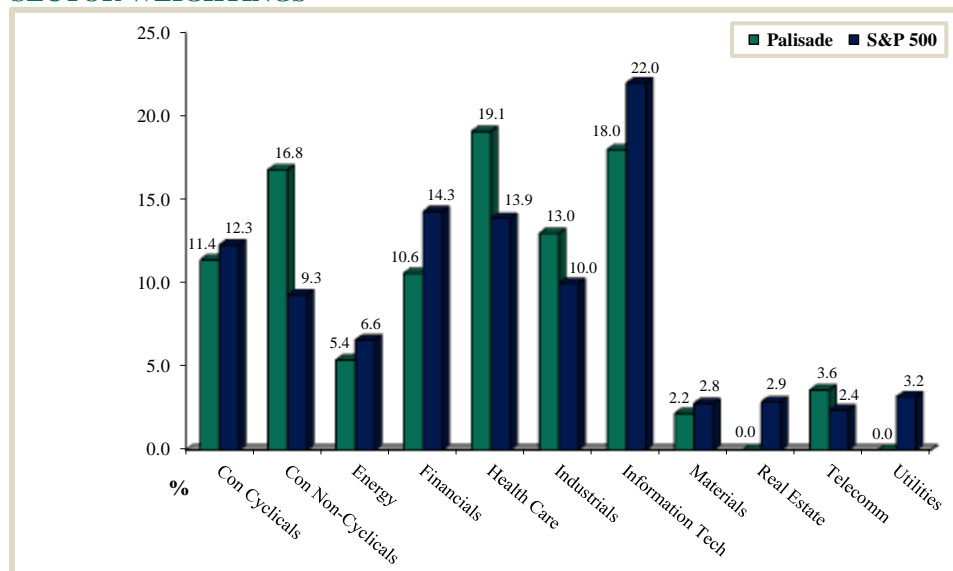
PORTFOLIO CHARACTERISTICS

1 st Quarter 2017	Core Growth Equity	S&P 500
Dividend Yield	2.5%	2.0%
P/E (trailing 12 months)	22.5	21.4
Long-Term Earnings Growth	9.4%	11.1%
Average Quality Ranking	A-	B+
Average Market Cap (billions)	\$110.3	\$141.6
Up Market Capture	89.03%	100%
Down Market Capture	85.76%	100%
Beta	0.89	1.00
Standard Deviation (1yr.)	6.36%	6.24%
Standard Deviation (3 yrs.)	9.64%	10.41%
Standard Deviation (5 yrs.)	9.57%	10.20%
Turnover (5 yr. avg. annual)	8.05%	—

SECURITY QUALITY RANKINGS



SECTOR WEIGHTINGS*



Disclosures:

*These charts represent Palisade's Core Equity Composites (since its inception in 2007), which is comprised of all fully discretionary equity accounts that hold a minimum of 90% Core Equity model securities and a maximum of 10% cash. Accounts are reviewed for inclusion on a quarterly basis. Both fee-paying and non-fee-paying accounts are included. Currently, 24 out of a total of 450 accounts managed by Palisade fall within this definition and are included in the Core Equity Composite. This represents approximately 5.0% of Palisade's total assets under management.

No one investment program is suitable for all investors. The information contained on this fact sheet is provided for informational purposes only. Past performance is not a guarantee of future results. Individual investment objectives, risk tolerance, and liquidity should be reviewed before selecting a suitable investment program.

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