

The Kiplinger 25 Funds

A WELL-TENDED FUND PORTFOLIO

Our favorite actively managed funds include picks for all seasons.

BY NELLIE S. HUANG

A good garden will feature a mix of tall evergreens, midsize perennial flowering plants, fast-growing ground covers and maybe a showy piece such as a sculpted topiary. Some require regular tending (an annual pruning, say), while others can be left alone. Some might flower in the spring; others blaze with richly hued foliage in the fall. Each plant is chosen for its individual merits, but together they form a beautiful garden. // Assembling a portfolio of mutual funds is much the same. We consider a number of variables and a mix of strategies when we select the Kiplinger 25, our favorite actively managed no-load funds. We think they're the cream of the crop, although they might not all be appropriate for your portfolio. The group is a diverse





collection that ranges across large- and small-company funds, foreign and U.S. holdings, and high-yield and mortgage-backed bonds. Just like a mix of plant varieties, they thrive at different times and in different conditions.

Over the past year, our U.S. funds mostly bloomed while foreign funds wilted. Despite a nasty correction in late 2018, a sharp rebound left U.S. stocks in positive territory. It was not so for foreign stocks, which took a bearish turn last fall. Overall, the Kip 25 performed as we would have expected, with a few disappointments. A lot of our picks tend to hold up well in rough markets, and given economic, trade and other challenges ahead, we like how the group is positioned.

Read more about each of the Kip 25 funds on the pages that follow. For a performance review, see the box on page 7. We made one change to the roster; it is highlighted in the box on page 4. We've also created portfolios with the Kip 25 funds, suited to investors with different goals, risk tolerances and time horizons. You'll find them on page 5. For a view of the Kip 25 at a glance, turn to page 8. Returns are through March 15.

LARGE-COMPANY U.S. STOCK FUNDS

Dodge & Cox Stock

The focus: Large U.S. companies trading at bargain prices.

The process: Ten managers work together to find large firms with good growth prospects that trade at discount prices, then they invest for the long term. Foreign stocks constitute 13% of the fund.

The track record: The fund's value bent requires patience. But a \$10,000 investment in the fund 20 years ago would be worth about \$60,000 today—nearly double what the same outlay in a Standard & Poor's 500-stock index fund would be worth today.

Mairs & Power Growth

The focus: Growing firms of any size

trading at reasonable prices.

The process: The Minnesota-based fund focuses first on firms in the upper Midwest with a competitive edge.

The track record: Mairs & Power Growth typically underperforms in up markets and outperforms in down markets. During the late 2018 swoon, Growth beat the index, thanks to health care stocks Abbott Laboratories, Medtronic and Bio-Techne. Over the past 12 months, the fund bested all but 6% of its peers, with an 8.9% gain.

Primecap Odyssey Growth

The focus: Fast-growing big and mid-size firms trading at sensible prices.

The process: Five managers each run a slice of the fund's assets independently. But they all focus on firms with shares under pressure that have a catalyst for growth, such as a new product or a new CEO. The fund's typical holding period is two decades.

The track record: The past year wasn't a standout, but over the past decade, the fund's 18.3% annualized return beat the S&P 500. Big gainers over the past year include medical implant device maker Abiomed and robot firm iRobot.

T. Rowe Price Blue Chip Growth

The focus: High-quality, growing firms that lead their industry.

The process: Manager Larry Puglia favors established firms with above-average earnings growth, strong free cash flow (cash profits after capital outlays), and executives who reinvest wisely. A chunk of assets sits in tech, health care and consumer-oriented firms. "These sectors offer the most fertile ground for innovation and growth," Puglia says.

The track record: Large growth stocks have led the market lately. Amazon.com and Alphabet are top holdings. The fund's 15-year annualized 10.7% return sails past the S&P 500 and the typical large-growth fund.

T. Rowe Price Dividend Growth

The focus: Dividend-paying firms with the intention to raise payouts over time.

The process: Manager Tom Huber homes in on stocks with durable, sustainable growth. Gains in Microsoft, Visa and UnitedHealth Group helped the fund over the past year.

The track record: A dividend-oriented fund tends to lag when the market is soaring. Over the past decade, Dividend Growth has returned a respectable 15.8% annualized, which beats its peers (funds that invest in large firms with growth and value features). But it lags the S&P 500 by an average of 0.7 percentage point per year.

T. Rowe Price Value

The focus: Deeply discounted large-company stocks.

The process: When sentiment sours on a firm, manager Mark Finn sees a prospect. In late 2018, he scooped up shares in General Electric as the conglomerate cut dividends to a penny. "GE still has a collection of good businesses," he says.

The track record: The fund has had a few lackluster years recently thanks to its contrarian tilt. But Value beat the S&P 500 by 2.5 percentage points during the 2018 sell-off. Finn is shoring up the fund with defensive health care and utilities stocks. "I try to build a portfolio that will participate in up markets but won't hurt clients in down markets," he says.

Vanguard Equity-Income

The focus: A low-volatility portfolio of dividend-paying stocks.

The process: Two subadvisers run the fund. Wellington Management's Michael Reckmeyer manages 64% of the fund's assets, seeking stocks that pay above-average dividend yields with good potential for future payout hikes. A Vanguard team runs the rest, using computer models to find dividend stocks with a mix of qualities, including attractive prices and growth prospects.

The track record: Over the past five and 10 years, Equity-Income has delivered above-average returns with below-average volatility. And it beat the S&P 500 over the past 12 months.

SMALL AND MIDSIZE U.S. STOCK FUNDS

Parnassus Mid Cap

The focus: Midsize firms with sturdy, growing businesses that meet environmental, social and corporate governance (ESG) standards.

The process: Two managers favor firms with solid balance sheets and a product or service that is in demand. The duo are price-conscious. When mid-cap stocks dropped 20% last fall, the managers bought more shares of their favorite companies.

The track record: The fund tends to hold up well in tough times but lag in good times. Over the past 12 months, it outpaced 95% of similar funds.

T. Rowe Price Small-Cap Value

The focus: Unloved, under-the-radar small companies.

The process: Manager David Wagner looks for small firms—those with market values of less than \$4 billion—that have stumbled, but have a catalyst that could turn things around.

The track record: Value shares have lagged their growth-oriented counterparts in seven of the past 10 calendar years. And the Russell 2000 small-cap index fell in price by almost 27% in 2018, from peak to trough. The fund's 7.1% annualized return since Wagner took over in mid 2014 beats its benchmark, the Russell 2000 Value index, but trails the traditional Russell 2000. "It has been tough," he says.

T. Rowe Price QM U.S. Small-Cap Growth

The focus: Profitable, growing small firms with reasonably priced stocks.

The process: "We prefer cheaper growth stocks with a high-quality tilt," says manager Sudhir Nanda, who uses computer models to find firms with strong free cash flow and steady earnings, among other things.

The track record: Nanda's models steer clear of pricey growth stocks, which have led the market in recent years. As a result, the fund has lagged similar



Update

We Swap Out One Fund

Every garden needs reshaping every now and then. The Kiplinger 25, for instance, has grown heavy in large-company funds. In recent years, eight of the group's 12 diversified stock funds focused on big firms. Only four were small- or midsize-company funds. That's one of the reasons we are replacing Fidelity New Millennium with DF Dent Midcap Growth.

New Millennium struggled, too. Manager John Roth invests in fast-growing firms, but he's sensitive to their share price. As the multiyear rally in growth stocks has worn on, Roth has grown more contrarian—for example, picking up shares in beleaguered General Electric at various times in 2018. When the fund joined the Kip 25 in May 2014, Morningstar considered New Millennium a large-growth fund. Today, it's a large-blend fund, reflecting its mix of growth and value holdings. But New Millennium has lagged peers in both the growth and blend categories, and it lagged Standard & Poor's 500-stock index in four of the past five calendar years.

At DF Dent Midcap Growth, four managers work as a team with seven analysts to find 30 to 40 firms that have solid, growing businesses that generate large amounts of cash, dominate a niche in their industry and have talented executives who invest wisely, with their shareholders in mind. If the share price isn't attractive relative to a stock's expected return, they'll wait for the right price to buy it.

The team does detailed analysis, visiting companies on their turf and talking to customers and suppliers. When company representatives visit DF Dent's offices, they're asked how they got there (commercial airline or private jet). "We look for frugal firms. A company's money is the shareholders' capital, not their own," says comanager Bruce Kennedy.

When the portfolio managers buy a stock, they tend to hold it. The fund's typical holding period is three years, nearly double the holding period of the typical midsize-company fund. They'll hold on even as some firms grow into large-cap names, such as gene-sequencing giant Illumina, as long as those companies are still fast-growing.

Over the past one, three and five years, DF Dent Midcap Growth has outpaced its benchmark, the Russell Mid Cap index, as well as its peers (funds that invest in midsize, growing companies). The firm's five-year annualized return stands among the top 23% of its category.

small-growth funds on an annualized basis over the past one and three years. But QM U.S. Small-Cap Growth beat its peers during the 2018 rout.

Wasatch Small Cap Value

The focus: Small, growing companies that have hit a bump in the road.

The process: This fund's strategy is a blend of growth and value. Small Cap

Value snaps up shares in promising growth stocks that have stumbled temporarily. "Stocks are often at their most compelling values when fear is rampant," says manager Jim Larkins.

The track record: The fund's three-, five- and 10-year annualized returns rank among the top 5% of its peer group (funds that invest in small, bargain-priced companies).

FOREIGN STOCK FUNDS

AMG TimesSquare International Small Cap

The focus: Small, growing foreign firms.

The process: The managers favor best-in-class firms with a sustainable competitive edge. They look for a favorable share price in relation to

THE KIPLINGER 25 PORTFOLIOS

The Best Mix to Reach Your Goals

Use the three model portfolios below as a starting point to build a diversified mix of funds. If you can tolerate short-term losses, boost your stock allotment up a notch. But if you're nervous about the stock market, kick up the bond portion instead. Stocks flipped

and flopped last year, and the volatility took a toll on our riskier portfolios. Our aggressive portfolio lost 0.2% over the past 12 months; the moderate mix was flat; and the conservative model climbed 4.1%.



For Retirement

TIME HORIZON: 11 years or more

STRATEGY: Invest 85% of assets in stocks and add a stable, core bond fund for the remaining 15%.

AGGRESSIVE PORTFOLIO

MUTUAL FUND	% of portfolio
Dodge & Cox Stock	20%
Primecap Odyssey Growth	20
DoubleLine Total Return Bond	15
Parnassus Mid Cap	15
Fidelity International Growth	10
Oakmark International	10
T. Rowe Price QM US Sm-Cap Gro Eq	10



For College

TIME HORIZON: Six to 10 years

STRATEGY: Balance roughly 65% in stocks and 35% in bonds for a more temperate mix.

MODERATE PORTFOLIO

MUTUAL FUND	% of portfolio
Vanguard Equity-Income	20%
DoubleLine Total Return Bond	15
MetWest Total Return Bond	15
Oakmark International	15
Primecap Odyssey Growth	15
T. Rowe Price Small-Cap Value	10
Vanguard Wellington	10



For Income

TIME HORIZON: Five years or less

STRATEGY: A steadier blend of 70% bonds and 30% stocks for a short time frame. It yields 3.1%.

CONSERVATIVE PORTFOLIO

MUTUAL FUND	% of portfolio
DoubleLine Total Return Bond	25%
Fidelity Strategic Income	20
T. Rowe Price Dividend Growth	15
Vanguard Equity-Income	15
Vanguard Sht-Tm Invest Grade	15
Fidelity New Markets Income	5
Vanguard High-Yield Corporate	5

the cash a company generates.

The track record: The past year was dreary for small foreign stocks. In 2018, Japanese small-cap stocks, in which the fund had 25% to 30% of assets invested, sank 16%. European small firms, 58% of the fund's assets, lost nearly 20%. Although the fund fell 19.1% over the past 12 months, it has had a strong start in 2019.

Baron Emerging Markets

The focus: Emerging-markets companies of all sizes.

The process: Manager Michael Kass favors profitable, growing firms with consistent competitive advantages.

The track record: Emerging-markets stocks have not been able to sustain momentum. Shares soared in 2017 but tumbled for most of 2018. The fund sank 11.4% over the past 12 months, more than the 10.9% loss in the MSCI Emerging Markets index and behind 53% of its peers. Since the start of 2019, however, the fund has recovered 12%, which beats its peer group.

Fidelity International Growth

The focus: Attractively priced, large, growing foreign companies.

The process: Stocks must have good long-term growth prospects, trade at attractive values relative to expected earnings and have pricing power. Firms that can raise or hold prices even when demand is sluggish have a competitive edge.

The track record: After below-average performance in 2016 and 2017, International Growth held up better over the past 12 months than its peers (funds that invest in large, growing foreign firms). Shares in French aircraft engine maker Safran (up 24%) helped. Over the past decade, the fund beat 88% of its peers.

Oakmark International

The focus: Low-priced foreign stocks.

The process: Longtime manager David Herro and his comanager are classic bargain hunters. They only buy stocks that trade at least 30% below their as-

essment of the firm's value, and in late 2018, snagged previous highfliers ASML Holding, a chip-equipment maker, Ctrip.com International, a Chinese online booking site, and more.

The track record: Investors who sit tight when the fund underperforms, as it did in 2018, win over time. International beat its benchmark and bested all but 4% of its peers (funds that invest in value-priced foreign stocks) over the past decade.

SPECIALTY FUNDS

Vanguard Health Care

The focus: Health care stocks.

The process: Manager Jean Hynes and 12 analysts comb the sector—from biotech and drug makers to medical devices and health care service firms—to find bargain-priced stocks of large firms with good growth prospects.

The track record: At first glance, the fund looks *blah* relative to other health care stock funds. Some of the category's best performers focus on biotech firms, which have been strong. But Health Care is a diversified portfolio of high-quality, mostly giant-size firms. As the end of the bull market looms, we view Health Care as a defensive way to invest in an innovative sector. In late 2018, the typical health care fund lost 20.4%; Vanguard Health Care lost 14.2%. Over the past three and five years, the fund beat its bogey, the MSCI ACWI/Health Care index.

Vanguard Wellington

The focus: A balanced portfolio for growth and income, with 65% of assets in stocks and 35% in bonds.

The process: Manager Ed Bousa picks reasonably priced stocks, favoring dividend-paying firms with strong cash flow and good growth prospects. Over the past year, Verizon and Microsoft were bright spots. Three bond pickers run the fixed-income side. They've gotten defensive, trimming the fund's exposure to corporate debt.

The track record: From the start of 2008

through 2018, Wellington trailed the typical balanced fund only in 2009 and 2010. New investors must buy fund shares directly from Vanguard.

BOND FUNDS

DoubleLine Total Return Bond

The focus: Intermediate-maturity mortgage-backed bonds.

The process: Two managers balance government-guaranteed mortgage bonds—which are sensitive to interest-rate moves (bond prices and interest rates move in opposite directions) but have no default risk—with non-agency bonds, which carry some risk of default but little interest-rate risk.

The track record: The fund's five-year return ranks among the top 21% of intermediate-term bond funds, with 30% less volatility. The yield is 3.45%.

Fidelity Intermediate Municipal Income

The focus: Intermediate-term bonds that pay tax-free income.

The process: Three managers find attractively priced muni bonds with stable finances. Curbing risk is a priority.

The track record: Dependable returns are this fund's hallmark. Intermediate Muni Income has outpaced its peers over the past three and five years on an annualized basis. The fund yields 2.04%, or 3.41% for those in the highest income tax bracket.

Fidelity New Markets Income

The focus: Emerging-markets government bonds issued in U.S. dollars.

The process: Manager John Carlson meshes economic and country analysis with research on individual IOUs.

The track record: Trade tensions, higher U.S. interest rates, lower oil prices and a slowing Chinese economy weighed on emerging-markets bonds this past year. But, Carlson says, "it also created value in the market." He added to holdings in Turkey, Mexico, Egypt and Ukraine in late 2018. Over the past five and 10 years, the fund outpaced about 80% of its peers. It yields 5.56%.



How We Did

A Very Contrary Year

In most gardens, some plants are in full bloom, while others wither. Same with investing: Stocks may zig, for example, as bonds zag. Last year, U.S. stocks zipped up ... then down, then up again. Over the 12-month stretch ending March 15, Standard & Poor's 500-stock index returned 4.8%.

But foreign markets couldn't hold up under the weight of a stronger dollar, trade tensions and slowing global growth. The MSCI EAFE index, which tracks foreign stocks in developed countries, fell 5.0% over the past year. Rising interest rates pressured the bond market for much of 2018, but a late-year rally into early 2019 lifted Bloomberg Barclays U.S. Aggregate Bond index to a 3.7% one-year return.

Six of our 12 U.S. diversified stock funds beat the S&P 500. Mairs & Power Growth, which had been in a funk, returned 8.9%. Two T. Rowe Price funds with different strategies finished well, too. Dividend Growth gained 8.8%, and Blue Chip Growth rose 5.0%. Our three small-company funds shone, too: T. Rowe Price QM U.S. Small-Cap Growth, T. Rowe Price Small-Cap Value and Wasatch Small Cap Value beat the Russell 2000 small-company index.

We're being patient with some of our foreign funds. AMG TimesSquare International Small Cap, Baron Emerging Markets and Oakmark International each trailed their benchmarks. Fidelity International Growth, however, beat the MSCI EAFE, albeit with a 3.2% loss.

Most of our U.S. bond funds—from high-yield to funds focused on intermediate-term maturities—kept pace with or beat the Agg index. But emerging-markets bonds had a rough year. Fidelity New Markets Income lagged its benchmark, the JPMorgan Emerging Markets Bond Index.

Fidelity Strategic Income

The focus: To generate income but keep volatility low by balancing high-quality bonds with junkier debt.

The process: The fund typically has 40% of assets in high-yield bonds; 25% in government debt; 30% in foreign developed and emerging-markets IOUs; and 5% in floating-rate securities. The proportions shift based on the big-picture view of managers Ford O'Neil and Adam Kramer. Specialists in specific

fixed-income sectors pick the bonds.

The track record: Over the past three, five and 10 years, the fund's annualized return has beat its peer group (funds that invest in multiple bond sectors). Strategic Income yields 3.94%.

Metropolitan West Total Return Bond

The focus: High-quality intermediate-term bonds.

The process: Views on the market and

the economy, and a fondness for bargains, guide the fund's four managers as they select a mix of investment-grade, medium-maturity bonds.

The track record: The fund's defensive posture has helped recently. Over the past 12 months, the fund's 3.7% return kept it ahead of Bloomberg Barclays U.S. Aggregate Bond index. The fund's 10-year annualized return beats 87% of its peers. It yields 2.87%.

Vanguard High-Yield Corporate

The focus: High-yield bonds, which are rated between double-B and single-C.

The process: Manager Michael Hong favors the less risky, better-rated end of the high-yield bond spectrum. He prefers firms with strong balance sheets and steady free cash flow.

The track record: The fund's conservative approach helps in tough markets. Over the past 12 months, junk bonds stumbled badly and then recovered. High-Yield Corporate gained 5.2%, better than the average high-yield fund. A strong U.S. economy bodes well for junk bonds. But critics worry that a mounting credit-quality crisis in investment-grade debt could spill into and rattle the high-yield market. We would take some gains off the table, but Hong is not worried. "We might see more downgrades" of investment-grade debt, he says. "But these will be idiosyncratic, company-specific issues, and the high-yield bond market can absorb them." The fund yields 5.75%.

Vanguard Short-Term Investment-Grade

The focus: Short-maturity government and corporate bonds.

The process: Two Vanguard managers pick the bonds. They currently favor asset-backed securities, such as pooled auto and student loans, and corporate mortgage-backed securities.

The track record: Hikes in short-term rates over the past 12 months were a drag, but over the past 10 years, the fund, which yields 3.04%, ranks among the top 22% of its peers. ■

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Vital Statistics

EVERYTHING YOU NEED TO KNOW ABOUT THE KIP 25

We favor a buy-and-hold strategy for fund investing. Don't be put off by a lackluster one-year return. Focus on the long-term performance and fees. Most of the Kiplinger 25 funds have below-average expense ratios.

	U.S. Stock Funds	Symbol	Annualized total return				Yield	Expense ratio	Biggest holdings
			1 yr.	3 yrs.	5 yrs.	10 yrs.			
NEW▶	DF Dent Midcap Growth	DFDMX	9.1%	18.7%	10.6%	—	0.0%	0.98%	Verisk Analytics, Ecolab, Tyler Technologies
	Dodge & Cox Stock	DODGX	1.7	15.3	9.7	16.9%	1.8	0.52	Comcast, Wells Fargo, Charter Communications
	Mairs & Power Growth	MPGFX	8.9	11.9	9.0	16.2	1.3	0.64	Ecolab, U.S. Bancorp, Alphabet
	Parnassus Mid Cap	PARMX	7.0	12.7	10.0	16.5	0.7	0.99	Motorola Solutions, Hologic, Teleflex
	T. Rowe Price Blue Chip Growth	TRBCX	5.0	20.7	14.2	19.3	0.0	0.70	Alibaba Group, Amazon.com, Alphabet
	T. Rowe Price Dividend Growth	PRDGX	8.8	14.0	11.3	15.8	1.6	0.64	Apple; Becton, Dickinson; Danaher
	T. Rowe Price QM US Sm-Cap Growth Eq	PRDSX	3.2	16.0	9.6	19.1	0.0	0.79	Bright Horizons Family Solutions, Burlington Stores, Cable One
	T. Rowe Price Small-Cap Value	PRSVX	0.7	14.0	7.0	16.0	0.3	0.91	Atrion, BankUnited, Belden
	T. Rowe Price Value	TRVLX	0.7	10.7	8.1	16.3	1.5	0.80	Boeing, Cisco Systems, Merck
	Primecap Odyssey Growth	POGRX	-3.3	19.0	12.6	18.3	0.3	0.65	Abiomed, United Continental, Eli Lilly
	Vanguard Equity-Income	VEIPX	5.4	12.0	10.1	16.0	2.9	0.27	JPMorgan Chase, Johnson & Johnson, Verizon
	Wasatch Small Cap Value	WMCVX	1.4	15.8	8.7	18.4	0.0	1.20	Euronet Worldwide, Monro, Knight-Swift Transportation

	Foreign Stock Funds	Symbol	Annualized total return				Yield	Expense ratio	Biggest holdings
			1 yr.	3 yrs.	5 yrs.	10 yrs.			
	AMG TimesSquare Intl Small Cap	TCMPX	-19.1%	6.8%	6.3%	—	0.7%	1.24%	Topdanmark, Modern Times Group, ABC-Mart
	Baron Emerging Markets	BEXFX	-11.4	11.2	4.1	—	0.1	1.36	Tencent, Alibaba Group, Taiwan Semiconductor
	Fidelity International Growth	FIGFX	-3.2	9.1	5.3	12.2%	0.8	0.95	Nestlé, Roche Holdings, CSL Ltd.
	Oakmark International†	OAKIX	-14.6	7.8	2.2	12.9	1.8	0.96	BNP Paribas, Daimler, Lloyds Banking Group

	Specialized/Go-Anywhere Funds	Symbol	Annualized total return				Yield	Expense ratio	Biggest holdings
			1 yr.	3 yrs.	5 yrs.	10 yrs.			
	Vanguard Health Care	VGHCX	8.4%	10.4%	10.1%	16.6%	1.1%	0.38%	Bristol-Myers Squibb, UnitedHealth Group, AstraZeneca
	Vanguard Wellington†	VWELX	4.8	9.9	7.8	12.0	2.8	0.25	Microsoft, Verizon, JPMorgan Chase

	Bond Funds	Symbol	Annualized total return				Yield	Expense ratio	Avg. credit quality [§]	Avg. duration (years)	Biggest sector weighting
			1 yr.	3 yrs.	5 yrs.	10 yrs.					
	DoubleLine Total Return Bond	DLTNX	3.6%	2.4%	2.8%	—	3.5%	0.73%	A	3.6	Mortgage-backed securities (59%)
	Fidelity Intermediate Municipal Income	FLTMX	4.1	2.2	2.7	3.6%	2.0	0.36	A	4.9	Revenue bonds (58%)
	Fidelity New Markets Income	FN MIX	-0.6	6.6	5.1	9.4	5.6	0.82	B	6.2	Foreign government bonds (64%)
	Fidelity Strategic Income	FADM X	1.8	5.4	3.4	7.3	3.9	0.69	BBB	4.1	High-yield debt (42%)
	Metropolitan West Total Return Bond	MWTR X	3.7	2.0	2.2	5.9	2.9	0.67	AA	6.1	Mortgage-backed securities (35%)
	Vanguard High-Yield Corporate	VWEH X	5.2	6.6	4.5	9.7	5.8	0.23	BB/B	4.4	Corporate bonds (96%)
	Vanguard Short-Term Investment-Grade	VFST X	3.2	2.2	1.8	3.5	3.0	0.20	AA/A	2.5	Corporate bonds (63%)

	Indexes	Annualized total return				Yield	Biggest holdings
		1 yr.	3 yrs.	5 yrs.	10 yrs.		
	S&P 500-STOCK INDEX	4.8%	14.2%	11.2%	16.5%	1.9%	Microsoft, Apple, Amazon.com
	RUSSELL 2000 INDEX*	-0.1	14.9	7.1	16.3	1.4	Etsy, Trade Desk, Five Below
	MSCI EAFE INDEX†	-5.0	7.9	3.0	9.9	3.4	Nestlé, Novartis, Roche Holding
	MSCI EMERGING MARKETS INDEX	-10.9	12.8	4.9	9.8	2.8	Tencent Holdings, Alibaba Group, Taiwan Semiconductor
	BLOOMBERG BARCLAYS U.S. AGGREGATE BOND INDEX#	3.7	2.0	2.5	3.8	3.1	U.S. Treasuries, Fannie Maes, Ginnie Maes

As of March 15. †New investors must purchase directly from the fund company. *Small-company U.S. stocks. †Foreign stocks. #High-grade U.S. bonds. §Kiplinger research based on Morningstar data. —Fund not in existence for the entire period. SOURCES: FTSE Russell, fund companies, Morningstar.

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**Important Information Concerning the Attached
The Kiplinger 25 Funds' May 2019 Article Reprint**

DF Dent Midcap Growth Fund (DFDMX) Total Returns as of 6/30/19 – Investor Shares (Periods Over 1 Year Are Annualized):

1 Year 20.27%

3 Year 20.39%

5 Year 13.35%

Since Inception (7/1/11) 14.68%

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Historically, some of the Fund's fees were waived or expenses reimbursed; otherwise returns would have been lower. The Investor Class Share's annual operating expense ratio (gross) is 1.31%. The Fund's adviser has contractually agreed to waive a portion of its fee and/or reimburse expenses to limit the net expense ratio of Investor Shares to 0.98% through October 31, 2019. Shares redeemed within 60 days of purchase will be charged a 2.00% redemption fee. For the most recent month-end performance, please call 866.233.3368.

Short-term performance, in particular, is not a good indication of the Fund's future performance, and an investment should not be made based solely on returns. Because of ongoing market volatility, Fund performance may be subject to substantial short-term changes.

As of 6/30/19 the Fund's Top 10 Holdings were:

Verisk Analytics, Inc. – 5.31%

Ecolab, Inc. – 5.06%

Tyler Technologies, Inc. – 4.33%

Markel Corp. – 4.23%

Vulcan Materials Co. – 4.10%

ANSYS, Inc. – 3.98%

Roper Technologies, Inc. – 3.74%

SBA Communications Corp. – 3.69%

Blackline, Inc. – 3.66%

Moody's Corp. – 3.64%

Yield listed in the Statistics table reflects distribution yield of the underlying holdings, not of the Fund itself.

Investing involves risks, including the possible loss of principal. The Fund invests in small and medium size companies, which carry greater risk than is customarily associated with larger, more established companies. With non-diversification risk, the Fund will typically invest in securities of fewer issuers, which exposes the Fund to greater market risk. Investing in ADRs (American Depositary Receipt) carries risks of political and financial instability, less liquidity and greater volatility, as well as risk associated with the lack of reliable accounting and financial information. The Fund is also subject to other risks, such as REIT risk with possible real estate market declines, which are detailed in the Fund's prospectus.

Before investing you should carefully consider the Fund's investment objectives, risk, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by calling 866.233.3368. Please read the prospectus carefully before you invest.

Foreside Fund Services, LLC, Distributor.