



## **Dakota Funds**

Scott Gates  
Gordon Kaiser  
Friess Associates LLC  
July 2017

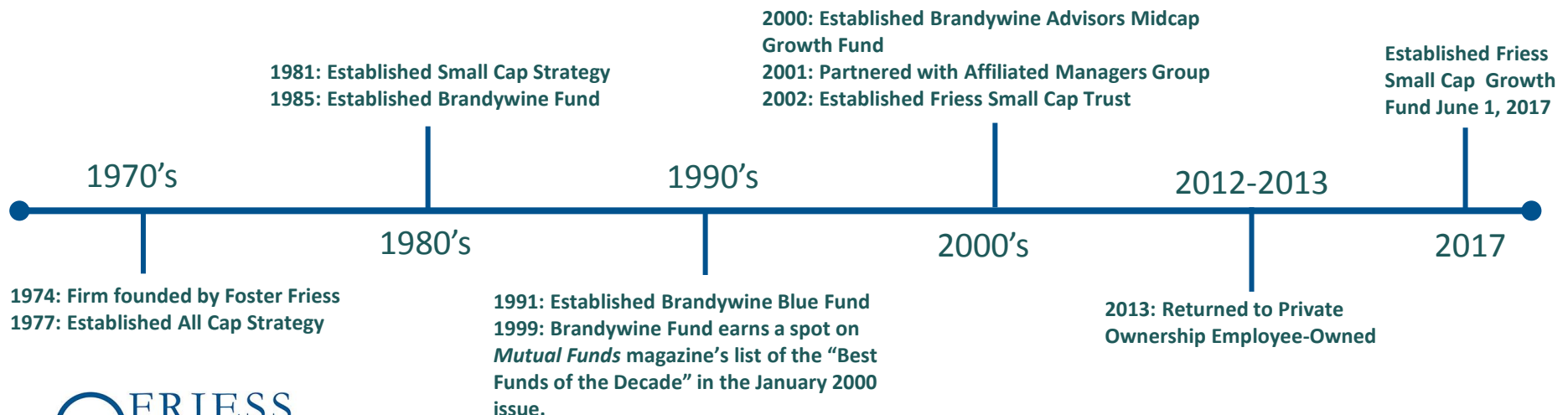
# Time Tested, Research Focused

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- Research-driven investment strategy
- Portfolio construction, one company at a time
- Organizational Update: More than four decades of experience applied with the drive of a startup
- Performance
- Portfolio characteristics and holdings

# More Than Four Decades of Experience with the Drive of a Startup

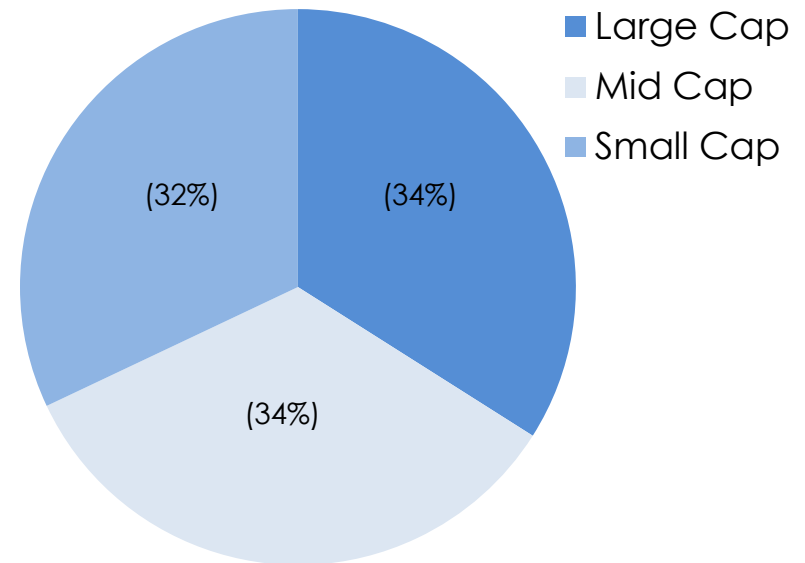
- Boutique firm with distinctive history
  - Friess Associates originally founded in 1974 by Foster Friess
  - Independently owned for 27 yrs; entered into partnership with AMG in 2001
  - Friess Management team acquired outstanding ownership stake from AMG in 2013
  - Emerged as 100% independently owned asset management firm once again
- Intensive research is cornerstone of the investment discipline
- Sole Focus - Growth equity investment offerings



# Growth-Equity Services Spanning the Entire Market Cap Spectrum

Strategies	Assets under management
All Cap Strategy (Inception 12/31/77)	\$745 million
Large Cap Strategy (Inception 1/10/91)	\$164 million
Mid Cap Strategy (Inception 10/31/00)	\$121 million
Small Cap Strategy (Inception 12/31/81)	\$84 million
Long/Short Fund Greenwich/Friess L.P. (Inception 6/30/16)	\$13 million
<b>Total Assets</b>	<b>\$1.1 billion</b>

## Invested assets by market capitalization



\*All market-cap data as of June 30, 2017

# Investment Team Averages 21 Years in Industry, Including 15 Years at Friess

TEAM MEMBER	ROLE	YRS INDUSTRY	YRS WITH FRIESS	EDUCATION
Scott Gates	CIO /Researcher	28	14	Wake Forest University, BA Emory University, MBA
David Haley, CFA	Researcher	17	12	University of Delaware, BS New York University, MBA
Fran Okoniewski	Researcher	25	25	Widener University, BA
Jenn Sparks	Researcher	20	20	University of Vermont, BA
Pete Diamond, CFA	Researcher	13	10	Cornell University, BS
Adam Rieger, CFA	Researcher	20	20	Mount St. Mary's University, BA
Matt Williams, CFA	Researcher	22	5	University of Wisconsin, BBA & MS
Paul Hopkins	Trader	28	21	Texas A&M University, BA
Pat Kealey, CFA	Trader	35	25	Villanova University, BA
John "Chip" Taylor	Trader	27	25	Gordon College, BA

# Friess Distinguishing Attributes

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- Research Driven Investment Strategy
- Portfolio Construction, One Company at a Time
- Researchers are all Generalists, Mitigates Potential Biases
- Best Idea Portfolios, Stocks must earn Position
- Team Approach, Focused solely on Stock Selection

# Key Elements of Investment Strategy

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- **Philosophy:** Earnings drive stock prices
- **Process:** Employ exhaustive research to identify companies experiencing accelerating earnings growth and trading at reasonable valuations
- **Portfolio Strategy:** Invest in growth companies with strong fundamentals that the Street has yet to recognize/fully appreciate their earnings potential and look to sell once fully valued
- **People:** Dedicated team of experienced investment professionals (CIO/Researchers/Traders) conducting research and implementing investment decisions across portfolios

# Investment Philosophy: Earnings Drive Stock Pricing

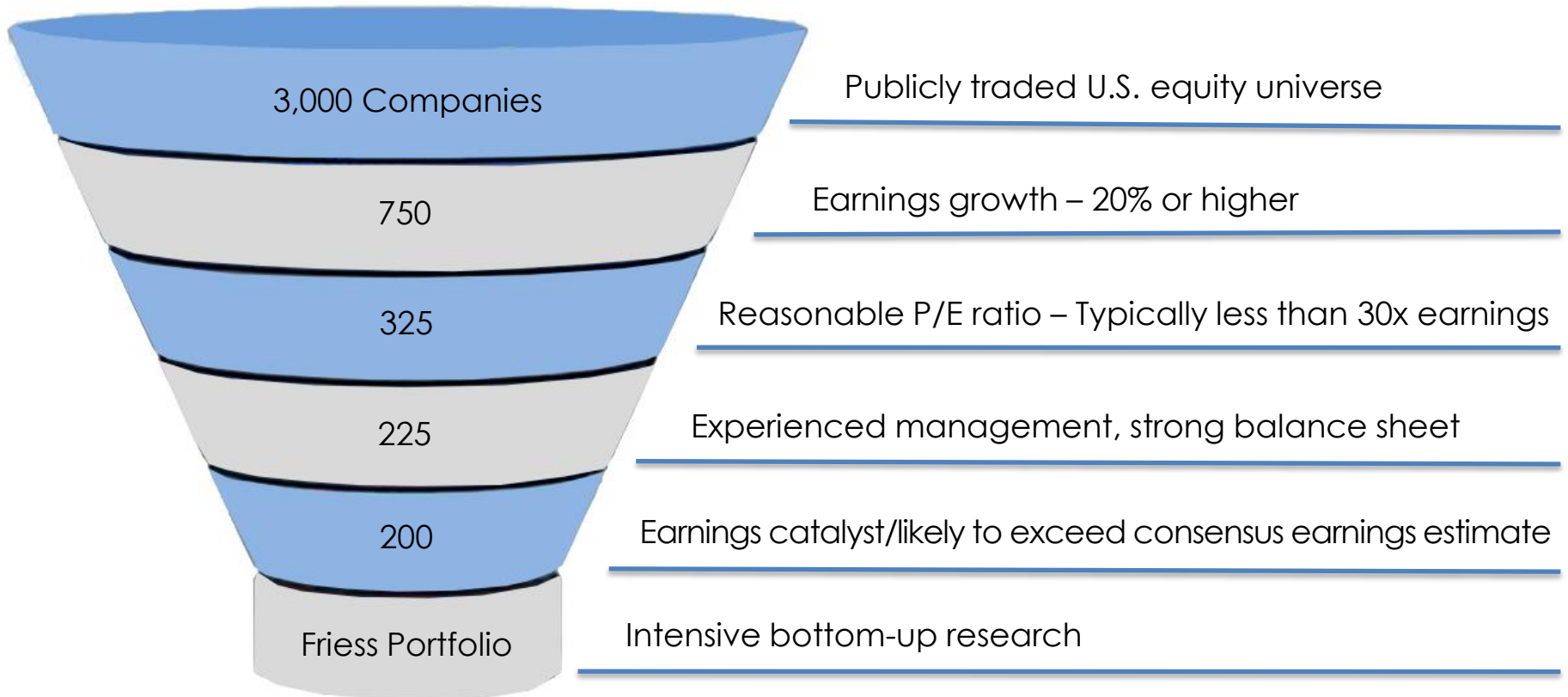
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*“Never invest in the stock market – invest in individual businesses.”*  
- Foster Friess

- Individual-company fundamentals determine stock prices
- Companies that top expectations attract positive investor attention
- Exhaustive research legwork isolates companies with the most potential to positively surprise
- “Best idea” portfolio - each company earns its space in the portfolio by showing greater fundamental promise than an existing holding

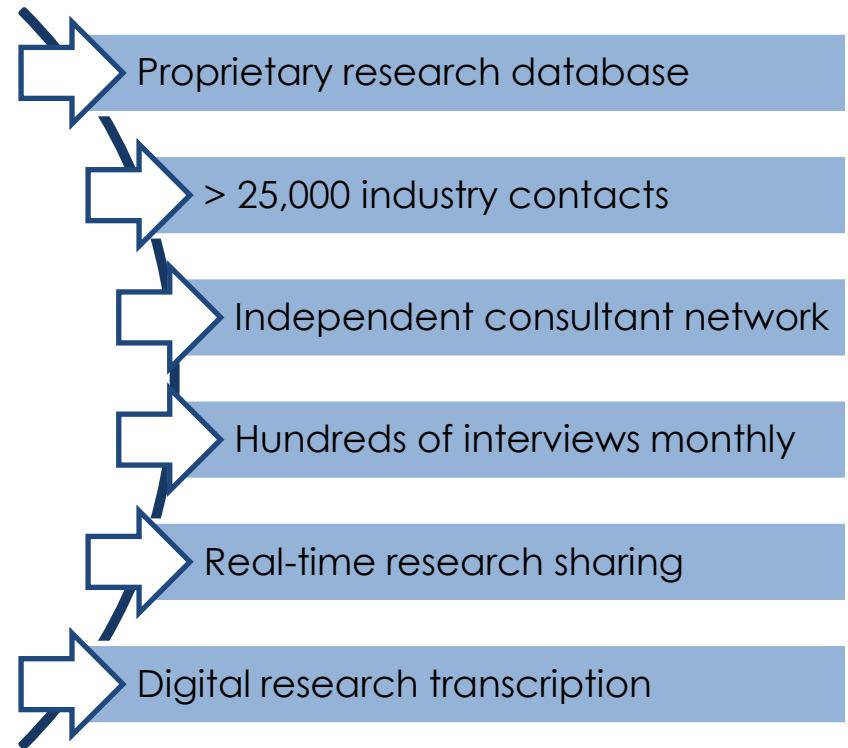


# Intensive Research Isolates Strongest Companies



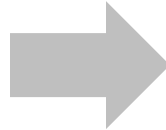
# The Friess Advantage: Exhaustive, Company-by-Company Research

Leveraging resources, contacts and expertise



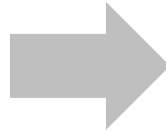
# Process Designed with Risk Control in Mind

Company-specific risk



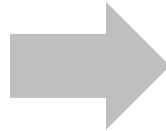
Share-price declines from negative business outcomes are primary risk consideration. Fundamental research emphasized as a critical risk management tool. Avoid companies with earnings prospects heavily dependent on unpredictable macro factors.

Valuation risk



Price targets can be more conservative vs. aggressive growth investors. Limit downside risk by focusing on stocks that sell at reasonable price-to-earnings ratios.

Investment risk



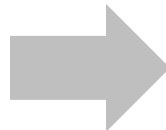
Following a negative event where a holding disappoints, we act to limit opportunity cost by switching into a new holding with better upside potential.

Sector risk



Portfolio construction occurs from the bottom up. We capitalize on the variety within sectors by limiting industry to 15% of assets to enable diversification.

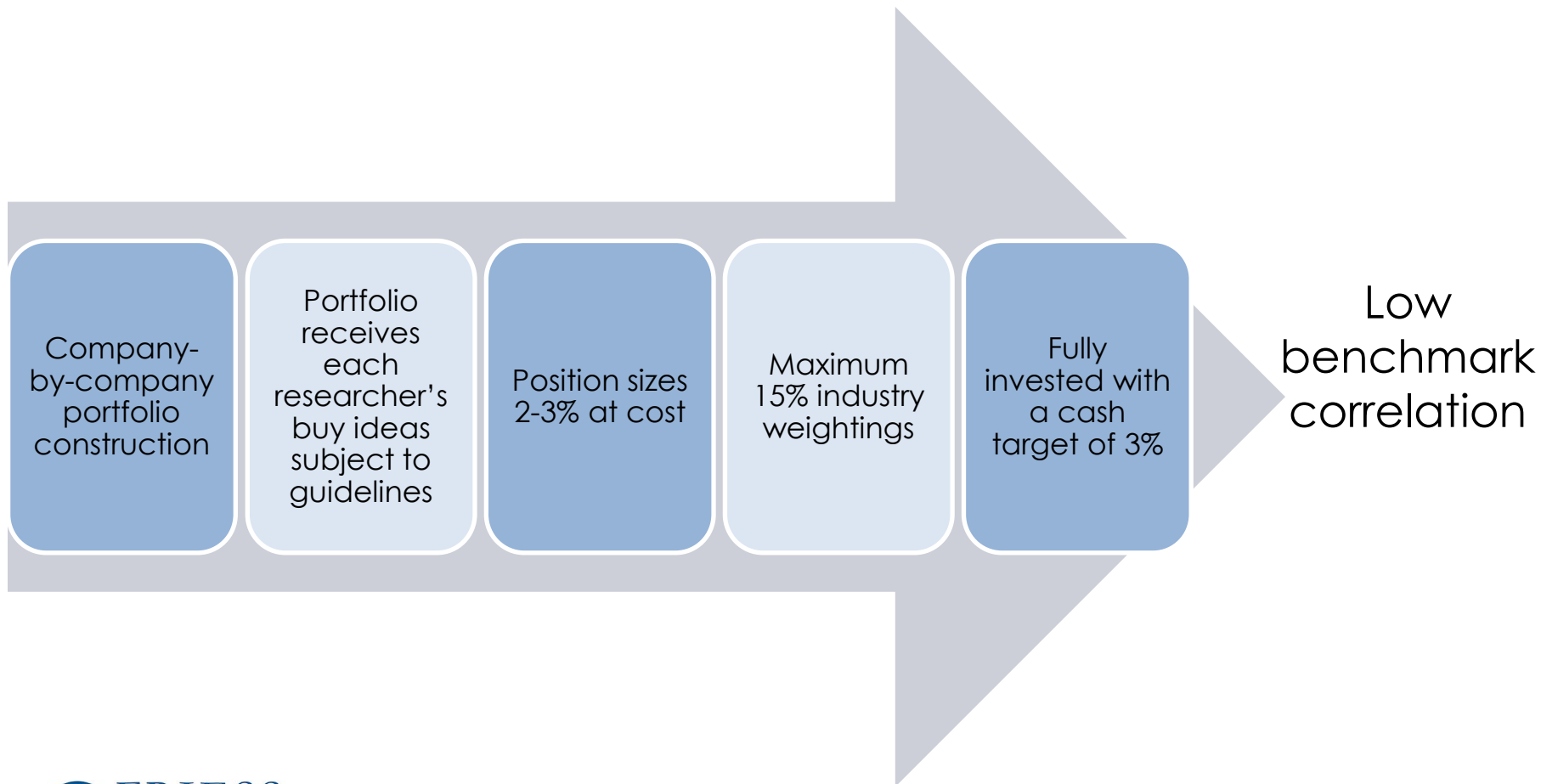
Liquidity risk



Position limits are based on daily trading volume. Typically limited to 2-3% of assets at purchase and restricted from growing beyond 5% of assets.

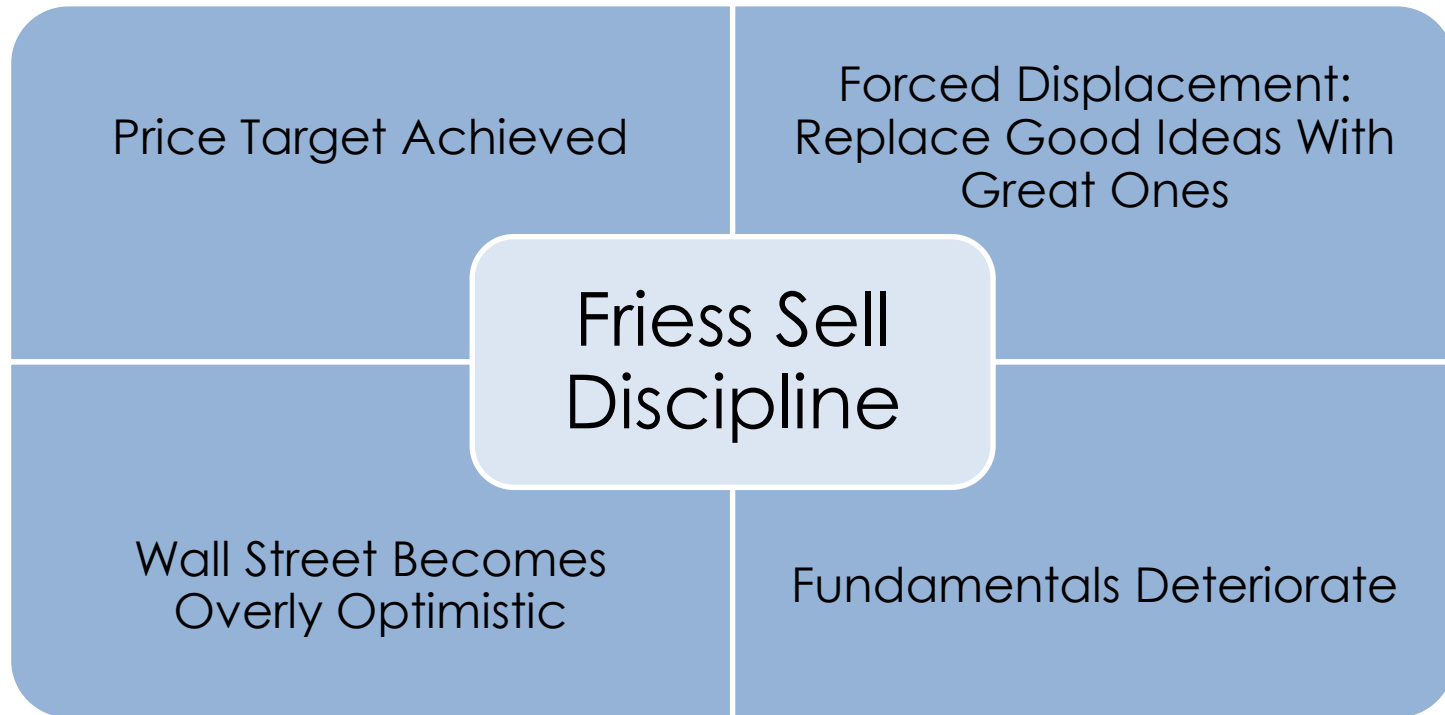
# Positioned to Beat Benchmarks, Not Mimic Them

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# Friess Sell Discipline Ensures “Best idea” Portfolio

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# Teamwork From Idea Generation to Order Implementation



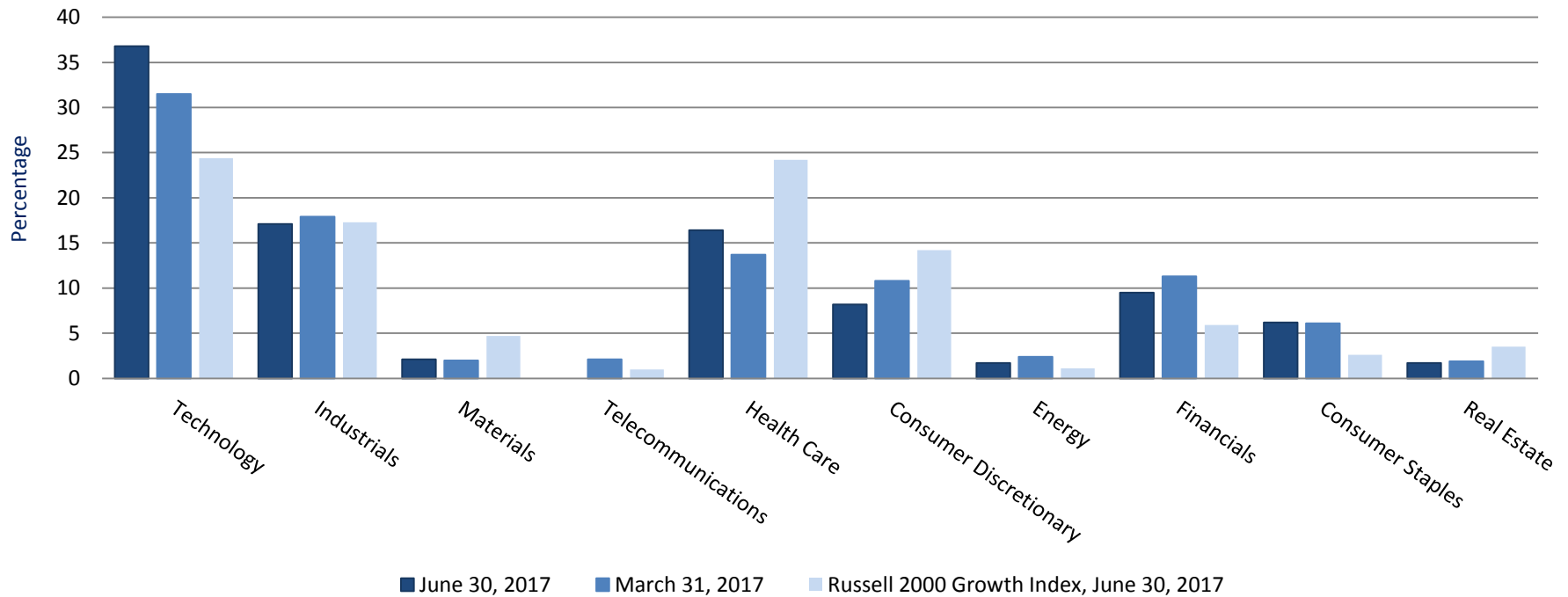
# Attribution – June Q Small Cap Portfolio Contribution

Security	June Q Average Portfolio Weighting	June Q Total Return	June Q Total Effect
<b>Top 5 Contributors</b>			
AxoGen, Inc.	2.3	60.3	1.0
Health Insurance Innovations, Inc.	2.5	46.9	0.9
eHealth, Inc.	2.0	56.2	0.8
Universal Display Corporation	2.7	26.9	0.6
Exact Sciences Corporation	0.7	32.6	0.5
<b>Top 5 Detractors</b>			
GMS Inc.	2.1	-19.8	-0.5
MarineMax, Inc.	1.6	-15.7	-0.4
Meet Group Inc.	1.1	-20.0	-0.3
Children's Place, Inc.	1.8	-14.3	-0.3
Nevro Corp.	0.7	-20.4	-0.3

Represents portfolio attribution for the Friess Small Cap Composite for the quarter ended, June 30, 2017 as calculated in Factset. Past performance does not guarantee future results. Portfolio holdings are subject to change at any time and are not recommendations to buy or sell any securities. The securities discussed do not represent the entire portfolio and in aggregate may represent only a small percentage of a portfolio's holdings. Any securities discussed may no longer be held in the portfolio. It should not be assumed that any of the securities transactions discussed were or will prove to be profitable, or that the investment recommendations Friess makes in the future will be profitable or will equal the investment performance of any security discussed herein. Friess Associates will provide a list of security purchases and sales for the past 12 months upon request. Please review additional important disclosure information beginning on page 23.

# Stock Selection Drives Sector Weight Changes

## Friess Small Cap Composite





# Friess Associates

June 30, 2017

Average Annual Total Returns	June Qtr 2017	YTD 6/30/2017	One Year	Annualized as of June 30, 2017			
				Three Year	Five Year	Ten Year	Inception
Small Cap Composite	7.21	15.66	31.45	16.15	19.64	5.94	14.93
Russell 2000 Growth Index	4.39	9.97	24.40	7.64	13.98	7.82	8.39
Russell 2000 Index	2.46	4.99	24.60	7.36	13.70	6.92	10.46

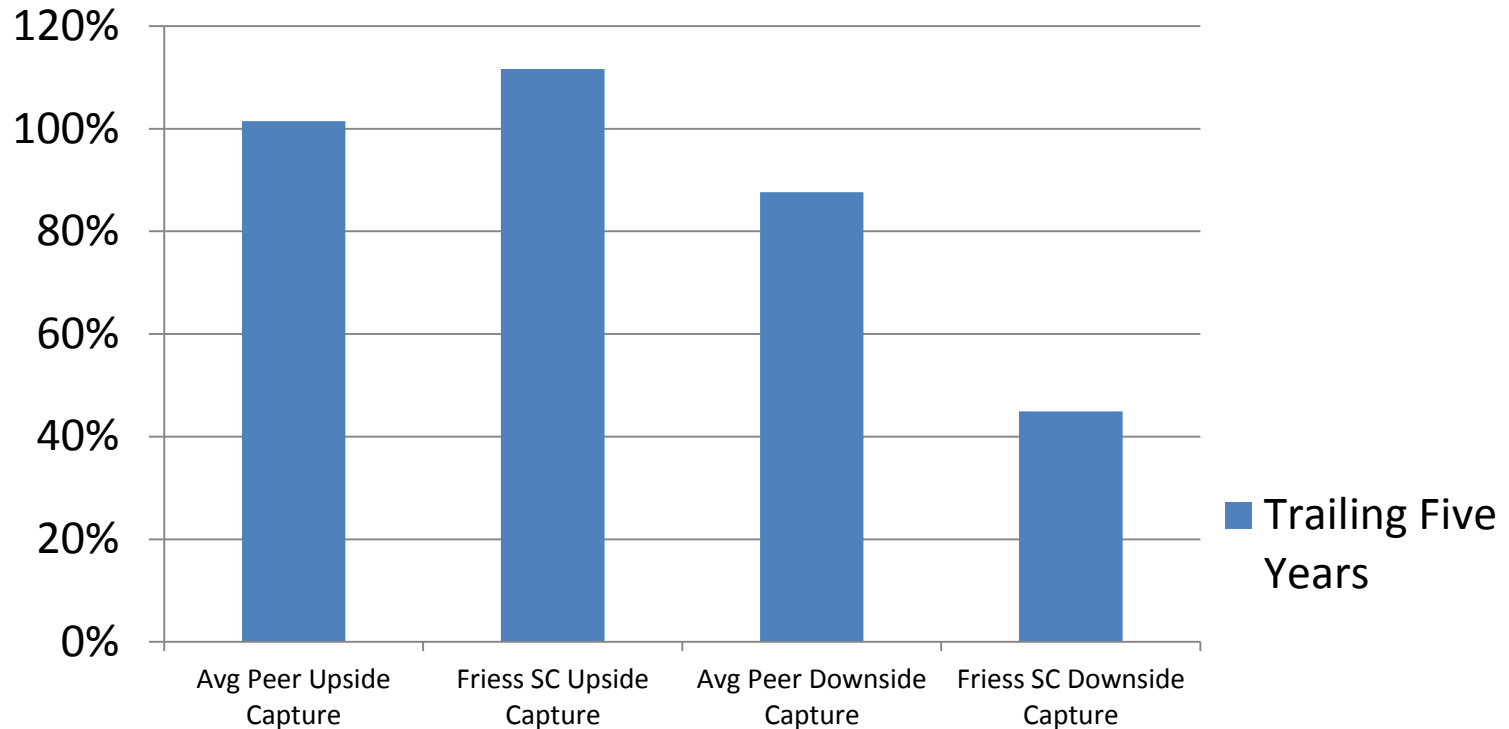
Inception Date: Small Cap Composite - 12/31/1981

**Performance data quoted represents past performance; past performance does not guarantee future results.** Each investor's portfolio is individually managed and may vary from the information shown in terms of portfolio holdings, characteristics and performance. Composite returns are gross of fees and do not reflect the deduction of management fees (1% of assets annually), and include the reinvestment of dividends and reflect brokerage costs. Assuming an initial \$10 million investment, over the three-year period shown above, an investor in the Friess Small Cap Composite would have paid approximately \$348,446 in management fees. Please review important disclosure information starting on page 23.



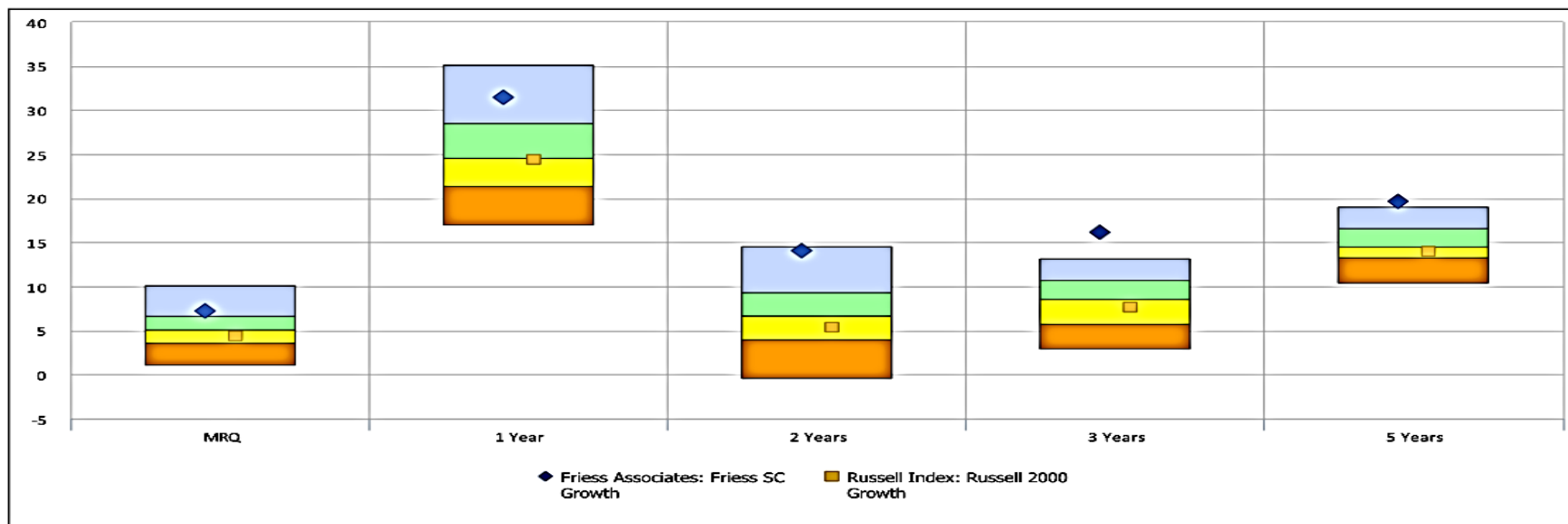
# Friess process adds value in up and down markets

## Upside/Downside Capture



# Small Cap Growth Peer Analysis

## June 30, 2017



Returns										
Percentiles	Returns MRQ		Returns 1 Year		Returns 2 Years		Returns 3 Years		Returns 5 Years	
High	13.13		45.43		19.14		18.26		20.80	
5th	10.05		35.08		14.49		13.11		18.98	
25th	6.59		28.47		9.27		10.67		16.54	
Median	5.04		24.51		6.62		8.51		14.45	
75th	3.54		21.33		3.92		5.69		13.23	
95th	1.06		16.96		-0.44		2.90		10.37	
Low	-0.79		8.42		-4.53		0.19		5.38	
Observations	164		164		162		159		151	

Product Name	Returns MRQ	Rank	Returns 1 Year	Rank	Returns 2 Years	Rank	Returns 3 Years	Rank	Returns 5 Years	Rank
Friess SC Growth	7.21	22	31.45	13	14.05	7	16.14	2	19.64	2
Russell 2000 Growth	4.39	60	24.4	52	5.37	62	7.64	59	13.98	62



**Past performance is not a guarantee of future results.** All returns shown are gross of fees. Please review important disclosure information starting on page 23. eVestment and its affiliated entities (collectively, "eVestment") collect information directly from investment management firms and other sources believed to be reliable; however, eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. Copyright 2011-2012 eVestment, LLC. All Rights Reserved.

# Small Cap Composite - June 30, 2017

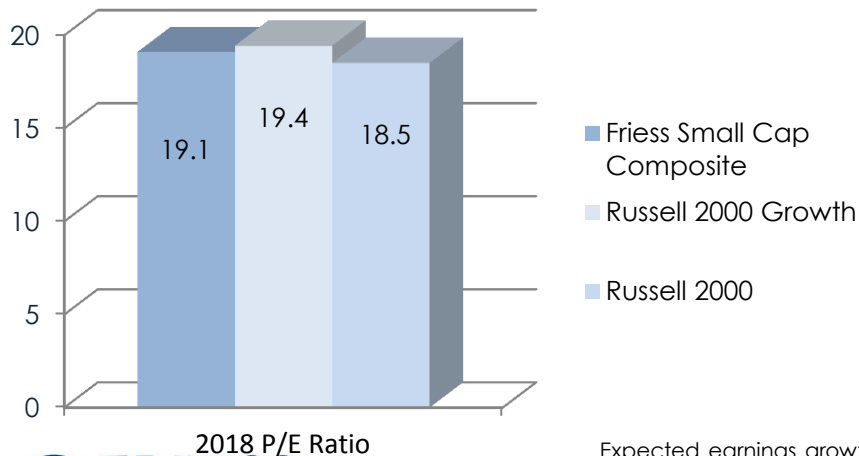
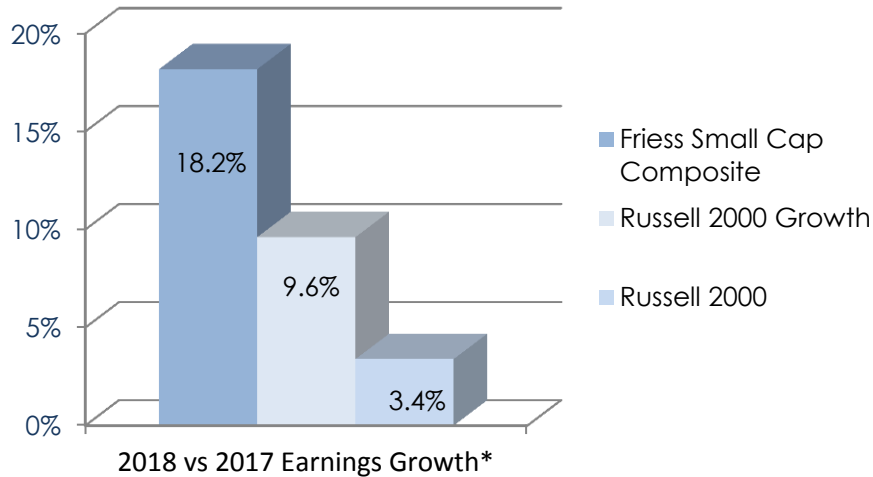
## Top 10 Holdings - 24% of Portfolio Assets

Company Name	Description	Position Size
<b>Applied Optoelectronics Inc.</b> (Information Technology)	Designs, develops and manufactures optical devices for fiber optic communications equipment.	2.7
<b>AxoGen Inc.</b> (Health Care)	Provides surgical solutions for peripheral nerve injuries.	2.6
<b>Green Dot Corp.</b> (Financials)	Issues prepaid MasterCard and Visa debit cards.	2.6
<b>Health Insurance Innovations Inc.</b> (Financials)	Provides cloud-based individual health insurance plans and ancillary products.	2.6
<b>At Home Group Inc.</b> (Consumer Discretionary)	Operates home decor superstores.	2.5
<b>Performance Food Group Co.</b> (Consumer Staples)	Markets and distributes food products.	2.5
<b>iRhythm Technologies Inc.</b> (Health Care)	Develops digital solutions for monitoring and diagnostic equipment used in the detection of cardiac arrhythmia.	2.3
<b>Ehealth Inc.</b> (Financials)	Provides health insurance services.	2.2
<b>Calavo Growers Inc.</b> (Consumer Staples)	Packages and distributes fresh and processed avocados and other perishable food products.	2.2
<b>Mercury Systems Inc.</b> (Industrials)	Designs, manufactures, and markets real-time digital signal processing computer systems.	2.2



It should not be assumed that any of the securities transactions discussed were or will prove to be profitable, or that the investment recommendations Friess makes in the future will be profitable or will equal the investment performance of any security discussed herein. Friess Associates will provide a list of security purchases and sales for the past 12 months upon request.

# Rapidly Growing Companies at Reasonable Prices



Period ending 06/30/17	Friess Small Cap Composite	Russell 2000 Growth	Russell 2000
Holdings	52	1,064	1,825
Below \$1 Billion	31%	16%	21%
\$1 Billion to \$4 Billion	62%	73%	69%
\$4 Billion and Over	7%	11%	10%
Median Market Cap	\$1.6 billion	\$1 billion	\$0.9 billion
Weighted Avg. Market Cap	\$1.9 billion	\$2.2 billion	\$2 billion

Expected earnings growth based on estimates from Factset Research Systems, Inc. Earnings growth rates quoted refer solely to the estimated earnings growth rates of the average investment holding of Friess Associates based on consensus estimates and are not predictive of future performance. Past performance does not guarantee future results.

# Why Friess Associates?

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- Strong long-term track record
- Obsessive stock pickers with respect to knowing companies well
- Time-tested, earnings-driven strategy
- Deep bench: researchers average 21 years in industry
- Employees: largest investor group among portfolios we manage
- Unyielding commitment to client service
- Founded in 1974, employee-owned firm
- Stable management team

# Friess Associates Investment Services

## Definitions and Disclosures

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Inception Dates: All Cap Composite - 12/31/1977, Small Cap Composite - 12/31/1981, All Cap Concentrated Composite – 03/31/2006, Small Cap Concentrated Composite – 03/31/2006

Performance data quoted represents past performance; past performance does not guarantee future results.

The All Cap Composite includes all discretionary accounts in which investments are not limited by market capitalization parameters. The All Cap Composite was created in accordance with GIPS standards as of January 1, 1993, the earliest possible adoption date. The inception date of Friess Associates' management of the All Cap Composite is December 31, 1977. There are no non-fee paying accounts in the Composite.

The Small Cap Composite includes all discretionary accounts that invest primarily in securities with market capitalizations of less than \$4 billion. The Small Cap Composite was created in accordance with GIPS® standards as of January 1, 1993, the earliest possible adoption date. The inception date of Friess Associates' management of the Small Cap Composite is December 31, 1981. There are no non-fee paying accounts in the Composite.

The Large Cap Composite includes all discretionary accounts that invest primarily in securities with market capitalizations in excess of \$6 billion. The Large Cap Composite was created in accordance with GIPS® standards April 1, 2003. There are no non-fee paying accounts in the Composite.

The All Cap Concentrated Composite includes all discretionary accounts in which investments are not limited by market capitalization parameters. The portfolios hold significantly fewer stocks than non-concentrated portfolios as mandated by client restrictions and are typically limited to 20 stocks or less. The All Cap Concentrated Composite was created in accordance with GIPS® standards January 1, 2007. There are no non-fee paying accounts in the Composite.

The Small Cap Concentrated Composite includes all discretionary accounts that invest primarily in securities with market capitalizations of less than \$4 billion. The portfolios hold significantly fewer stocks than non-concentrated portfolios as mandated by client restrictions and are typically limited to 20 stocks or less. The Small Cap Concentrated Composite was created in accordance with GIPS® standards January 1, 2007. There are no non-fee paying accounts in the Composite.

The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. The Russell 3000 Growth Index measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.

# Friess Associates Investment Services

## Definitions and Disclosures

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The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index. The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

The Russell Investment Group is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The S&P 500® is widely regarded as the best single gauge of large cap U.S. equities. There is over USD 5.14 trillion benchmarked to the index, with index assets comprising approximately USD 1.6 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

eVestment and its affiliated entities (collectively, "eVestment") collect information directly from investment management firms and other sources believed to be reliable; however, eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. Copyright 2011-2012 eVestment, LLC. All Rights Reserved. The "Observations" shown in the returns table on page 19 reflect the total number of composite returns tracked by eVestment for each measurement period. All returns shown on page 19 are gross returns, including the Friess Small Cap Composite returns. The Composite returns do not reflect the deduction of management fees (1% of assets annually), and include the reinvestment of dividends and reflect brokerage costs. Assuming an initial \$10 million investment, over the five-year ending June 30, 2017 an investor in the Friess Small Cap Composite would have paid approximately \$785,932 in management fees.



# GLOBAL INVESTMENT PERFORMANCE STANDARDS

## FRIESS ASSOCIATES

### STATEMENT OF INVESTMENT PERFORMANCE - SMALL CAP COMPOSITE FOR THE PERIODS FROM JANUARY 1, 1993, TO DECEMBER 31, 2016

Composite Statistics at December 31,

Year	Annual Return (Gross of Fees)	Benchmark Russell 2000® Index	Composite Annualized 3 Year Ex-Post Standard Deviation	Benchmark Annualized 3 Year Ex-Post Standard Deviation	Composite Statistics at December 31				
					Number of Accounts	Standard Deviation	Market Value in Millions \$	% of Firm Assets	Total Firm Assets in Millions \$
2016	21.78%	21.31%	17.61%	15.76%	1	N/M	\$ 43	4%	\$ 1,058
2015	1.71%	-4.41%	15.44%	13.96%	1	N/M	31	3%	1,104
2014	8.91%	4.89%	14.86%	13.12%	1	N/M	31	2%	1,265
2013	52.38%	38.82%	18.33%	16.45%	1	N/M	29	2%	1,351
2012	5.35%	16.35%	21.02%	20.20%	1	N/M	21	1%	1,724
2011	-13.78%	-4.18%	*	22.23%	19	0.64	684	16%	4,310
2010	19.88%	26.85%	*		36	2.13	1,605	19%	8,435
2009	11.61%	27.17%	*		45	1.07	1,935	21%	9,241
2008	-39.32%	-33.79%	*		44	1.04	1,756	17%	10,044
2007	14.18%	-1.57%	*		45	1.53	3,017	17%	16,883
2006	18.01%	18.37%	*		45	0.93	3,290	25%	13,069
2005	14.75%	4.55%	*		43	1.17	2,955	27%	10,931
2004	18.90%	18.33%	*		34	1.67	2,285	26%	8,859
2003	52.45%	47.25%	*		16	1.27	835	12%	7,035
2002	-21.79%	-20.48%	*		6	1.96	373	8%	4,849
2001	3.33%	2.49%	*		3	N/M	338	5%	6,334
2000	27.08%	-4.20%	*		2	N/M	236	2%	8,405
1999	54.27%	19.62%	*		2	N/M	135	2%	8,085
1998	-15.03%	-3.45%	*		8	4.23	361	5%	7,847
1997	12.06%	20.52%	*		8	3.26	603	4%	13,063
1996	30.05%	14.76%	*		6	4.53	472	4%	10,454
1995	44.10%	26.21%	*		6	3.37	303	4%	7,272
1994	3.74%	-3.18%	*		6	2.38	212	5%	4,465
1993	27.57%	17.00%	*		7	4.51	273	8%	3,591

\*Not covered by the Independent Accountants' Verification and Performance Examination Report.

N/M - Not Meaningful. Statistical measure of internal dispersion for composites with five or fewer accounts held for an entire year is not considered meaningful.

#### Basis of Presentation

Friess Associates (the "Firm") claims compliance with the Global Investment Performance Standards (GIPS® standards) and has prepared and presented this report in compliance with the GIPS® standards. Friess Associates has been independently verified for the periods from January 1, 1993, to December 31, 2016.

Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Small Cap Composite (the "Composite") has been examined for the periods from January 1, 1993, to December 31, 2016. The verification and performance examination reports are available upon request.



# GLOBAL INVESTMENT PERFORMANCE STANDARDS

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## **Firm Definition:**

Friess Associates is defined as an investment management firm that consists of two business entities, Friess Associates, LLC and Friess Associates of Delaware, LLC that together represent the single investment firm, Friess Associates.

Friess Associates, LLC and Friess Associates of Delaware, LLC are limited liability companies principally owned by their Management Committee and other senior level partners. Friess Associates' Management Committee is responsible for the overall supervision of the Firm.

## **Composite Description and Creation Date**

The Small Cap Composite includes all discretionary accounts that invest primarily in securities with market capitalization of less than \$3 billion, with the flexibility to invest in companies up to the maximum market capitalization of its benchmark. The Small Cap Composite was created in January 1993. The inception date of Friess Associates' management of the Small Cap Composite is December 31, 1981. There are no non-fee paying accounts in the Composite. There is no minimum asset level required to be included in or remain in the Composite.

## **Comparisons with Benchmark Index**

Results of the Small Cap Composite are shown compared to the Russell 2000® Index. The Russell 2000® Index measures the performance of the 2,000 smallest U.S. companies in the Russell 3000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000® Index.

These unmanaged market indices are provided to represent the investment environment during the time periods shown. For comparison purposes, these indices are fully invested, and include the reinvestment of dividends. The returns for these unmanaged indices do not include any transaction costs, management fees or other costs.

## **Fee Schedule**

The standard fees charged by the Firm for the Composite are 1% of assets under management.

The Firm's list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.



## **Calculation Methodology**

Composite returns are presented net of commissions and transaction costs and gross of investment advisory fees. Prior to January 1, 2007, accounts were included in the Composite in their first full month of management and removed at the end of their last full month of management. Effective January 1, 2007, accounts were added to the Composite on their first complete day of discretionary management and removed at the end of their last complete day of discretionary management. Also effective January 1, 2007, returns are calculated on a daily basis. Prior to that date, returns were calculated on a monthly basis. Performance results are based on U.S. dollar returns.

Security transactions are recorded on a trade date basis. Interest income is accrued as earned, and dividend income is recorded on an accrual basis on the ex-dividend date, net of non-reclaimable foreign withholding taxes.

Investments in securities are stated at the last reported sales price. All portfolios are valued on the basis of the underlying assets' fair values, which is in accordance with the GIPS® standards. Fair value is defined as the amount at which an investment could be exchanged in a current arms-length transaction between willing parties in which the parties each act knowledgeably and prudently.

## **Internal Dispersion**

Composite dispersion, which represents the consistency of performance of individual portfolio returns, is measured using standard deviation across asset-weighted portfolios. Standard deviation is a measure of variability of account returns, which is often used in the investment industry as an indicator of risk. Standard deviation is not a meaningful indicator of risk without a significant population count over which it may be calculated. For the purpose of this report, a significant population count is defined as more than five accounts in a composite.

## **Annualized 3 Year Ex-Post Standard Deviation**

The annualized 3 year ex-post standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36 month period. It is not presented from 1993 to 2010 as it is not required for periods ended prior to 2011.



The entire Friess team values the opportunity to serve you.

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