

PERFORMANCE (AS OF 03/31/2024)

	1Q 2024	1 Year	3 Year	5 Year	10 Year	Inception
Smid Cap Growth (Gross)	3.80%	14.72%	-2.25%	9.16%	10.11%	11.21%
Smid Cap Growth (Net)	3.61%	13.89%	-2.98%	8.37%	9.28%	10.39%
Russell 2500™ Growth	8.51%	21.12%	-0.81%	9.39%	9.56%	9.44%

Periods greater than one year are annualized. Inception Date: 12/31/2006.

HIGHLIGHTS

- Building on a strong finish to 2023, Russell 2500 Growth advanced 8.5 percent in 1Q 2024
- Strategy rose but underperformed its benchmark; economically sensitive areas of the market outperformed, and portfolio did not and would not own positions in high-flying stocks associated with AI hardware and Bitcoin
- Riverbridge's discipline of targeting companies with internally financed growth has insulated the portfolio from a recent rise in corporate debt defaults; our focus on strategic market positions will be important should economic growth slow

MARKET COMMENTARY

The first quarter of 2024 built on the strength of last year, with the Russell 2500™ Growth index posting a gain of 8.5 percent. Several of the factors that propelled the stock market to outsize returns in 2023 persisted into the new year, including continued excitement surrounding artificial intelligence, anticipation of interest rate cuts, inflation trending lower, and few signs of an imminent economic downturn.

The Information Technology and Industrials sectors led the Russell 2500 Growth™ higher, though how they got there differed dramatically. In IT, two constituents drove nearly all of the sector's positive return. Outside of those standouts, the Information Technology sector was essentially flat, underperforming the broader market for the quarter. In Industrials, more cyclical and capital-intensive industries outperformed such as Construction, Building Products, and Distributors. Communication Services was the only sector in the index to generate a negative return; Real Estate, Materials, and Health Care also lagged.

PERFORMANCE COMMENTARY

The Riverbridge Smid Cap Growth strategy returned approximately 3.5 percent net of fees during the first quarter of 2024, trailing the Russell 2500™ Growth index's 8.5 percent return.

In general, Riverbridge's focus on investing in steady, predictable growth companies providing high value and mission critical products and services has been out of favor since the middle of the fourth quarter of 2023. Instead, market participants have assumed a risk-on posture, gravitating toward more speculative investments related to AI and Bitcoin and more economically sensitive businesses in the Industrials, Consumer Discretionary, and Energy sectors. The fundamental performance of our portfolio companies during this period has largely met our expectations; a few management teams provided cautious guidance for 2024 during the first quarter due to macroeconomic uncertainty, but not to an extent that alters our long-term thesis.

NEW BUYS

Descartes Systems Group, Inc.
Powerschool Holdings, Inc.

FULL SALES

There were no liquidated securities.

CONTRIBUTORS

Kinsale Capital Group, Inc.
Medpace Holdings, Inc.
Fastenal Company
West Pharmaceutical Services, Inc.
Toast, Inc.

DETRACTORS

Globant S.A.
Five Below, Inc.
Workiva, Inc.
Privia Health Group, Inc.
Bio-Techne Corporation

The strategy's worst relative performance, in the Information Technology sector, was half driven by what we own and half by what we do not. In the former category, the preponderance of the Smid Cap Growth portfolio's Information Technology companies are in the Software and IT Services industries, two areas which broadly underperformed in the first quarter. Though the strategy's IT Services holdings outperformed their counterparts, our substantial weight to the industry hurt relative performance. Software, the largest industry weight in the strategy, had mixed results during the quarter. Six of our 12 software holdings had positive performance, but double-digit declines in the stocks of call center software developer Five9 (FIVN) and workflow management solution provider Workiva (WK) hurt overall returns. Both companies guided conservatively for the coming year, though both continue to see healthy opportunities in their end markets. Five9, which is paid per "seat" being used in a physical or digital call center, has seen modestly slower seat growth due to lower retail transaction volumes. Longer term, we continue to see a strong outlook for the company, thanks to a healthy sales and implementation backlog. Workiva provided cautious guidance during the first quarter as their prospective customers closely scrutinize technology spend. However, the company continues to invest in a growing set of opportunities across financial, risk, compliance, and industry-specific reporting requirements. With a well-established customer base, we believe the company is poised to achieve balanced growth through both new customers and existing relationships. We also expect margins to increase as their product investment cycle slows.

In the latter category of what we do not own, Super Micro Computer (SMCI) and MicroStrategy (MSTR) advanced 255 percent and 170 percent, respectively, during the quarter. Neither is a candidate for our Smid Cap Growth strategy as they do not fit our investment criteria, yet the performance of the two companies accounted for approximately 40 percent of the portfolio's underperformance during the first quarter.

Super Micro Computer manufactures the hardware used in data centers and enterprise computing environments and is currently reaping the reward of a solid relationship with Nvidia as demand for the chips and infrastructure to power generative AI solutions continues to skyrocket. While SMCI has experienced rapid growth which it is projecting to continue in the near-term, we expect the competitive environment to be fierce as AI evolves and matures. Historically, it has been difficult for pure hardware players to maintain a truly differentiated market position. In addition, even if it did fit Riverbridge's investment criteria, after its meteoric rise Super Micro is now a large cap company with a nearly \$65 billion market cap. Until it graduates out of the Russell 2500 Growth in

June, the company will continue to have an outsize influence on the performance of the index.

MicroStrategy, on the other hand, experienced a highly speculative run-up in its stock price, not because of momentum in its core business, which has had roughly flat revenue over the past five years, but because it holds several billion dollars of Bitcoin on its balance sheet. The company's stock appears to essentially be a Bitcoin proxy, as the underlying fundamentals do not support its massive rally.

The strategy's best-performing relative sectors were Financials and Consumer Staples. In Financials, excess and surplus insurance underwriter Kinsale Capital Group (KNSL) is seeing strong trends in the number of policies they are being asked to price and in the rates they are achieving on the policies they write. In Consumer Staples, our lone holding Freshpet (FRPT) produced results demonstrating that demand remains strong and margins are increasing faster than expected.

TRANSACTION COMMENTARY

The Riverbridge Investment Team purchased two new companies in the Smid Cap Growth strategy during the first quarter, Descartes Systems Group (DSGX) and PowerSchool Holdings (PWSC). We also increased our positions in Paycom (PAYC), Entegris (ENTG), and Kinsale Capital (KNSL). Funds for the purchases were sourced through trims of CoStar Group (CSGP) and Fastenal (FAST), which are nearing market cap graduation, and Ansys (ANSS), which is in the process of being acquired by Synopsys (SNPS).

Descartes Systems offers a broad portfolio of logistics technology solutions to shippers, brokers, carriers, and governments. Their network is used to transmit messages between the disparate systems used in the logistics industry, providing efficiency to their customers through automation and improved communication. Given the company's diverse set of offerings for stakeholders across the supply chain, Descartes acts as a strategic partner in bringing value-add technology to the logistics industry. Riverbridge has owned DSGX in our Small Cap Growth strategy since 2019.

PowerSchool provides software and services to K-12 school districts, focusing primarily on core systems of record, talent management, and in-classroom modules. School districts have a wide variety of information technology needs but often rely on outdated technology that lacks support and modernization creating inefficiencies and dissatisfaction amongst users. PowerSchool's solutions allow districts to operate more efficiently, hire more efficiently, and deliver better educational outcomes to students.

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OUTLOOK

As Riverbridge looks ahead, we are optimistic about the prospects of our portfolio companies. We believe they are positioned well for growth, regardless of the economic backdrop. Recently, there has been a sharp increase in the number of companies defaulting on their debt. Our insistence that our portfolio companies be capable of internally financing their growth should shield our portfolios from this concerning phenomenon and provide greater earnings power durability.

Over the last five years, the equity markets have experienced numerous market-shaping events which defy anyone's predictive abilities. However, what remains true is that earnings power determines the value of companies. Management teams that focused on building their strategic market positions throughout this highly disrupted period have benefited most. Those management teams more focused on maximizing performance by capitalizing on a small moment in time have generally underperformed. The Riverbridge investment team will continue to eschew the short-lived emotions of the market and focus on companies that are positioning themselves to thrive over the next decade.

Important Disclosure Information

Past performance is not indicative of future results. The mention of companies/stocks herein is for illustrative purposes only and should not be interpreted as investment advice or recommended securities. The securities identified do not represent all of the securities purchased, sold or recommended and the reader should not assume that any listed security was or will be profitable. There is no guarantee that the same or similar holdings will be purchased or held in accounts in the future. It should not be assumed that account holdings will correspond directly to any such comparative benchmark index. Comparative indices may be more or less volatile than Riverbridge portfolios. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions.

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Performance-related information provided in this document is presented as supplemental information to the GIPS Composite Report included herein. Riverbridge performance results reflect the reinvestment of dividends and other account earnings and are net of applicable account transaction charges. Performance results do not reflect the impact of taxes. Where presented, gross-of-fee performance figures presented do not reflect the deduction of investment advisory fees. A client's returns will be reduced by the advisory fee and other expenses incurred in the management of its account. For example, the deduction of a 1% advisory fee over a 10-year period would reduce a 10% gross return to an 8.9% net return. A description of our services and fees is included in our Brochure, ADV Part 2, which is available upon request.

SMID CAP GROWTH COMPOSITE

Year	Gross-of-Fee Return (%)	Net-of-Fee Return (%)	Russell 2500™ Growth Return (%)	Portfolios	Dispersion (%)	Composite 3-Year Ex-Post Std. Dev.	Russell 2500™ Growth 3-Year Ex-Post Std. Dev.	Composite Assets (\$ Millions)	Ttl Firm Assets (\$ Millions)	Advisory Only (\$Millions)	Ttl Firm Assets & Advisory Only (\$Millions)
2023	21.61	20.74	18.93	114	0.78	20.43	20.95	1,092.3	7,429.2	4,432.2	11,861.5
2022	-31.56	-32.09	-26.21	115	0.48	23.15	25.18	1,101.4	6,279.5	3,892.8	10,172.3
2021	6.88	6.12	5.04	106	0.41	19.06	21.97	1,569.8	9,408.0	6,149.6	15,557.6
2020	47.90	46.84	40.47	83	0.83	20.53	23.93	1,459.6	8,478.1	4,896.5	13,374.6
2019	33.09	32.11	32.65	82	0.55	14.46	15.85	972.9	5,378.3	2,633.2	8,011.5
2018	0.44	-0.34	-7.47	82	0.48	14.65	15.33	996.2	4,737.1	1,842.0	6,579.1
2017	26.27	25.33	24.46	85	1.12	11.97	13.04	1,187.4	5,047.9	1,791.1	6,839.0
2016	8.58	7.73	9.73	86	0.49	13.45	14.67	942.6	4,686.7	1,546.6	6,233.3
2015	0.37	-0.42	-0.19	90	0.48	12.24	13.29	850.3	5,030.8	1,202.4	6,233.2
2014	3.90	3.08	7.05	112	0.36	11.31	12.53	957.3	5,523.2	1,215.6	6,738.8

Firm Information: Riverbridge Partners, LLC is a Minnesota based investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. The firm provides investment management services to institutional and individual investors. The company offers growth and income oriented investment services which it believes will provide high returns over the long term. The firm's standard fee schedule is an annual 1%.

Composite Characteristics: The SMID Cap Growth Composite was created in January 2007 and its inception date was 12/31/2006. It is a diversified growth stock portfolio invested in small to mid capitalization growth companies. The general market capitalization guideline can be redefined due to market appreciation or depreciation. A complete list and description of all firm composites, including broad and limited distribution pooled funds, is available upon request. The composite benchmark is the Russell 2500™ Growth Index. The Russell 2500™ Growth Index includes the segment of securities within the Russell 2500™ Index with higher price-to-book ratios and higher forecasted growth values. The Russell 2500™ Index is an unmanaged index measuring the performance of the small to mid-cap U.S. equity universe. Composite dispersion is not presented for years with 5 or fewer accounts. The benchmark returns are gross of all fees and taxes. The composite minimum value is \$100,000. Prior to January 1, 2016, the composite minimum value was \$50,000.

Material risks of the strategy include stock market, business and economic development, liquidity, and foreign security risk. Leverage, derivatives, short positions and illiquid investments are not used in the strategy. As with any investment, an investor may lose money, and the strategy can underperform its benchmark. Investment in strategies is not insured by the FDIC or any other government agency.

Calculation Methodology: Individual portfolios are revalued daily starting 1/1/2009. Prior to that, individual portfolios were revalued monthly and intra-month when large cash flows (defined at 10%) occurred. Gross-of-fee returns are calculated net of transaction costs and gross of management fees. Until 12/31/2007, net performance was calculated by applying the maximum annual management fee of 1% to gross performance on a monthly basis. Starting 1/1/2008, net-of-fee returns are calculated net of actual investment management fees. Both gross-of-fee and net-of-fee returns are calculated gross of all withholding taxes on foreign dividends. Accruals are included in calculations. The dispersion measure is the equal-weighted standard deviation of accounts in the composite for the entire year. The dispersion measure is the equal-weighted standard deviation of accounts in the composite for the entire year. Dispersion and Ex-Post standard deviation is calculated using gross-of-fees returns. Policies for valuing investments, calculating performance, and preparing GIPS® Reports are available upon request.

Compliance Statement: Riverbridge claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Riverbridge has been independently verified for the period 12/31/1989 – 12/31/2023. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. The SMID Cap Growth Composite has had a performance examination for the periods 01/01/2007 – 12/31/2023. The verification and performance examination reports are available upon request.

Composite Benchmark: The benchmark returns are not covered by the report of the independent verifiers. Any indices and other financial benchmarks shown are provided for illustrative purposes only. Information about indices is provided to allow for comparison of the performance of the Adviser to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index, which also does not take into account trading commissions and costs. The volatility of indices may be materially different from the performance of the Adviser. In addition, the Adviser's recommendations may differ significantly from the securities that comprise the indices.

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