

PERFORMANCE (AS OF 06/30/2024)

	2Q 2024	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Growth and Income (Gross)	0.95%	6.98%	12.32%	7.97%	12.64%	11.75%	10.76%
Growth and Income (Net)	0.75%	6.57%	11.44%	7.13%	11.78%	10.86%	9.82%
S&P 500®	4.28%	15.29%	24.56%	10.01%	15.05%	12.86%	11.01%

Periods greater than one year are annualized. Inception Date: 12/31/2002.

HIGHLIGHTS

- S&P 500 rose more than 4 percent during the quarter, led primarily by its largest constituents and masking the fact that more than half the index's constituents declined
- Strategy rose slightly in 2Q; most of the companies benefiting most from the AI hardware boom are not eligible for the Growth and Income portfolio, creating a short-term headwind to relative performance
- The equity market likely needs to broaden beyond the largest six companies to advance further, presenting an opportunity for a true all cap portfolio to perform well going forward

MARKET COMMENTARY

On the surface, the first six months of 2024 appeared to be a utopia for investors. The S&P 500 returned more than 15 percent with very little volatility, despite the Federal Reserve not cutting interest rates and with inflation remaining stubbornly elevated. These impressive returns, however, masked some underlying warning signs. Despite the overall index posting strong returns, the majority of stocks in the S&P 500 declined in the second quarter. The market's gains were driven almost exclusively by the six largest stocks, which have been fueled by enthusiasm about artificial intelligence.

Thanks to the mega caps, the Information Technology and Communication Services sectors were responsible for the entirety of the S&P 500 index's 4.3 percent return in the second quarter. The benchmark's other sectors were up low single digits or declined. Industrials and Financials were the main drags on market performance.

PERFORMANCE COMMENTARY

The Riverbridge Growth and Income strategy returned 0.75 percent net of fees in the second quarter, trailing the 4.3 percent return of the S&P 500 index. Non-dividend payers substantially outperformed their dividend paying counterparts in the benchmark, creating the primary headwind to the strategy's relative performance.

At the sector level, relative performance reflected the dominance of the mega caps. Information Technology was the strategy's worst performing sector on a relative basis, primarily because it does not hold Nvidia (NVDA). Though Nvidia is a major holding in our All Cap Growth and Large Cap Growth strategies, it is not eligible for the Growth and Income portfolio because it does not pay a dividend. Similarly, the portfolio's lack of holdings in Communication Services - specifically Google's parent company Alphabet (GOOGL), which does not pay a dividend - was a relative performance detractor.

The portfolio's overweight to Industrials also detracted significantly from relative performance, despite solid stock selection in the sector. One Industrials holding that did struggle, however, was Fastenal (FAST), a leading distributor of manufacturing and construction supplies. Demand was sluggish during the quarter, in line with an overall slowdown in industrial production and heavy manufacturing. Despite the sluggish macro environment, Fastenal continues to sign onsite agreements and place inventory management devices at an impressive clip, which should lead to sustainable market share gains.

The strategy's best performing holding during the quarter was Analog Devices (ADI), an analog semiconductor designer. Though the company is not seeing an AI spike in demand of the same magnitude as other semiconductor manufacturers, ADI's capabilities are relevant across many areas of secular growth such as supply chain automation, electric vehicles, and healthcare manufacturing.

TRANSACTION COMMENTARY

The Riverbridge Investment Team did not make any new purchases or full sales in the Growth and Income strategy during the second quarter.

OUTLOOK

To advance further, the market will likely need to broaden beyond the six largest companies, as they possess both lofty valuations and lofty expectations. If history is any guide, narrow, speculative markets tend not to persist for more than a few quarters. On a relative basis, a shift in leadership would likely be a boon for small and mid cap franchises.

The November election also injects elements of uncertainty into the markets. The election results will influence many elements of the economy that impact investor expectations, including the regulatory climate, monetary policy, and trading policies.

Regardless of the voluminous factors that promise to shape market returns in the second half of 2024, the Riverbridge Investment Team remains steadfast in its investment philosophy, which is centered on investing in companies possessing high degrees of recurring revenue while internally financing their growth. More importantly, we seek management teams that are prioritizing long-term earnings power over short-term reported earnings. Our portfolio companies continue to invest to strengthen their strategic market positions. We believe this focus on earnings power creates the foundation for compelling returns over a full market cycle.

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.

GROWTH AND INCOME COMPOSITE

Year	Gross-of-Fee Return (%)	Net-of-Fee Return (%)	S&P 500® Return (%)	Portfolios	Dispersion (%)	Composite 3-Year Ex-Post Std. Dev.	S&P 500® 3-Year Ex-Post Std. Dev.	Composite Assets (\$ Millions)	Ttl Firm Assets (\$ Millions)	Advisory Only (\$Millions)	Ttl Firm Assets & Advisory Only (\$Millions)
2023	21.08	20.13	26.29	23	0.21	15.62	17.29	52.0	7,429.2	4,432.2	11,861.5
2022	-12.77	-13.45	-18.11	25	0.23	18.83	20.87	52.0	6,279.5	3,892.8	10,172.3
2021	21.09	20.18	28.71	23	0.41	15.45	17.17	56.0	9,408.0	6,149.6	15,557.6
2020	22.05	21.13	18.40	27	0.51	16.39	18.53	60.0	8,478.1	4,896.5	13,374.6
2019	25.24	24.30	31.49	30	0.37	10.69	11.93	56.8	5,378.3	2,633.2	8,011.5
2018	1.50	0.61	-4.38	28	0.35	10.08	10.80	40.2	4,737.1	1,842.0	6,579.1
2017	19.10	18.12	21.83	27	0.27	8.73	9.92	30.7	5,047.9	1,791.1	6,839.0
2016	16.93	15.99	11.96	32	0.22	9.63	10.59	46.4	4,686.7	1,546.6	6,233.3
2015	-1.42	-2.23	1.38	31	0.19	10.32	10.48	40.3	5,030.8	1,202.4	6,233.2
2014	8.74	7.84	13.69	28	0.44	8.69	8.97	37.3	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 Growth & Income Composite was created in January 2003 and its inception date was 12/31/2002. It is a diversified stock portfolio invested in higher yielding mid to large capitalization growth companies. 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 S&P 500® Index which was changed from the Russell 1000® Growth in 2010 due to client request. The S&P 500® Index includes 500 industry leading companies measuring the performance of the large-cap U.S. equity universe. The benchmark returns are gross of all fees and taxes. The composite minimum value is \$100,000.

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. 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 Growth and Income Composite has had a performance examination for the periods 01/01/2003 – 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.

Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value.

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