

**PERFORMANCE (AS OF 12/31/2024)**

	4Q 2024	1 Year	3 Year	5 Year	10 Year	Inception
<b>Large Cap Growth (Gross)</b>	5.67%	27.36%	6.80%	14.41%	13.83%	9.49%
<b>Large Cap Growth (Net)</b>	5.55%	26.76%	6.28%	13.87%	13.20%	8.34%
Russell 1000® Growth	7.07%	33.36%	10.47%	18.96%	16.78%	9.67%

Periods greater than one year are annualized. Inception Date: 12/31/1997.

**HIGHLIGHTS**

- Russell 1000 Growth capped off a second consecutive year of 30%+ returns with a 7% return in the fourth quarter
- Strategy outperformed in October and November, but gave up its relative performance lead in December when mega caps returned to dominating the index's returns
- Riverbridge's focus on seeking out companies with consistent, internally financed unit growth should position the strategy to thrive in the year ahead, even if the economic environment does not meet investors' rosy expectations

**MARKET COMMENTARY**

Catalyzed by a strong economy, cooling inflation, and excitement around artificial intelligence, the Russell 1000 Growth index posted a second consecutive year of 30%+ returns in 2024. The S&P 500 index, meanwhile, notched its second straight year returning more than 20%, the first such streak since the late 1990s.

In the fourth quarter for the Russell 1000 Growth, two relatively flat months sandwiched a strong post-election rally in November, ultimately resulting in a 7% return for the index. The S&P 500 was more volatile, declining in both October and December and returning less than 2.5% in the final three months of the year.

In October and November, market leadership continued to broaden beyond large cap growth as it had in the third quarter. Then in December, five constituents of the Magnificent 7 (Tesla, Alphabet, Amazon, Apple, and Meta) plus fellow mega cap Broadcom produced positive returns in a month when more than 80% of the Russell 1000 Growth index's constituents declined, bringing back at least temporarily the narrow market that prevailed for the first half of 2024.

In another flashback to the environment that dominated most of the past two years, for the full quarter those six companies plus NVIDIA accounted for 90% of the Russell 1000 Growth's return. Naturally, then, the sectors that house the Magnificent 7 - Information Technology, Consumer Discretionary, and Communication Services - dominated the index's performance.

In fact, five of the Russell 1000 Growth index's 11 sectors declined in the fourth quarter, with Real Estate, Materials, and Health Care the worst performers.

**PERFORMANCE COMMENTARY**

The Riverbridge Large Cap Growth strategy returned approximately 5.5% net of fees in the fourth quarter, trailing the 7% return of its primary benchmark, the Russell 1000 Growth index, but outpacing the 2.4% of its secondary benchmark, the S&P 500. For the year, the strategy climbed nearly 27% net of fees, splitting the 33.4% return of the Russell 1000 Growth and the 25% return of the S&P 500.

Reflecting on 2024, the strategy largely performed as expected in each of the three distinct periods it encountered. In the first half of the year, an already narrow market coming out of 2023 narrowed further. Though the Russell 1000 Growth index surged more than 20% during the first six months of the year, less than half of the benchmark's constituents produced positive returns; instead, the market was buoyed by the strong performance of mega caps, particularly in the Information Technology and Communication Services sectors. Unsurprisingly, the Large Cap Growth strategy lagged during this mega cap rally, as our portfolio is less concentrated in the Magnificent 7 relative to its benchmark.

Then, from July through November, the market began to broaden, boosting the relative returns of our well-diversified portfolio. In both the benchmark and the Large Cap Growth strategy, smaller constituents meaningfully outperformed the mega caps, the first interruption of such leadership since the end of 2022. As expected, the portfolio comfortably outperformed the Russell 1000 Growth over these five months.

The dominance of mega caps returned in December, however, with a small handful of companies keeping the Russell 1000 Growth in positive territory despite 90% of the index's stocks declining during the month. Just as in the first half of the year, the portfolio struggled on a relative basis in this environment and gave up the performance lead it had established in October and November.

At the sector level in the fourth quarter, the Large Cap Growth strategy had overall positive stock selection, but its overweight to Health Care, Industrials, and Real Estate detracted from relative performance.

Health Care struggled throughout 2024 but had an especially rough fourth quarter in the wake of the election and appointment of Robert F. Kennedy Jr., a self-professed opponent of America's current healthcare system, as the head of the Department of Health and Human Services. Much of the negative move was concentrated in industries where we do not typically invest - namely Biotechnology and Pharmaceuticals - but positive stock selection in Health Care was not enough to overcome the sector's drag on performance.

In Real Estate, our lone holding CoStar Group (CSGP), an information and data analytics provider to the commercial, multifamily, and residential real estate markets, performed better than the overall sector but still declined during the fourth quarter, as investors remain concerned about the impact of elevated interest rates on new housing starts and existing home sales.

#### TRANSACTION COMMENTARY

The Riverbridge Investment Team purchased one new company in the Large Cap Growth portfolio during the fourth quarter. Cintas (CTAS) provides uniform rentals, workplace safety services, and cleaning products to over one million businesses across a variety of industries. From its original offering of uniform rentals, the company has leveraged strong customer relationships and brand recognition to expand into non discretionary areas such as

restroom supplies, first aid and safety products, and fire protection services. We expect Cintas to continue compounding its earnings power through high customer satisfaction, its ability to identify additional business opportunities with existing customers, and expansion into end markets such as healthcare, cleanroom facilities, higher education, and government.

To fund this purchase, we trimmed three strong performing stocks - Fair Isaac (FICO), Salesforce (CRM), and Trade Desk (TTD) - and exited our small position in Veralto (VLTO), which was a recent spin-out from longtime holding Danaher (DHR).

#### OUTLOOK

As we enter 2025, bullish investors are touting consensus expectations of strong corporate earnings, respectable economic growth, and moderating inflation. While consecutive years of 20%+ returns are rare, the 1990s saw five consecutive years of such gains. If the inflation rate stabilizes around 2% and corporate earnings rise by the consensus forecast of 15%, 2025 could also deliver strong returns.

Still, several risks lie in wait. The market is more concentrated now than at any other time in history. The largest 10 stocks in the S&P 500 represent 38.7% of the index, making its performance heavily reliant on a small number of companies. Valuation levels are also elevated. The S&P 500 is trading at 21.5 times forward earnings, compared to the 30-year average of 16.9 times.

Regardless of the economic and market environment, we believe Riverbridge's portfolio companies are well positioned for 2025 and beyond. Our focus on seeking out franchises that can produce self-financed, non-cyclical unit growth means that they should not need a goldilocks economy to thrive in the years ahead. In addition, we are optimistic about our portfolio positioning as we enter a new phase of artificial intelligence development. Until now, investors have rewarded companies building the infrastructure to support AI, primarily hardware providers. Starting in 2025, we anticipate entering the most consequential phase: deployment. We expect companies to leverage AI in novel ways to boost efficiency and increase productivity. We expect our strategically positioned holdings to be key partners in helping their customers incorporate the benefits of AI into their businesses.

## 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.

**PURCHASES 4Q 2024**

Security	Sector	Rationale
Cintas Corporation	Industrials	Provides uniform rentals, workplace safety services, and cleaning products to over one million businesses across a variety of industries.

**SALES 4Q 2024**

Security	Sector	Rationale
Veralto Corporation	Industrials	Source of funds after business was spun-out of Danaher.

**CONTRIBUTORS 4Q 2024**

Security	Rationale
NVIDIA Corporation	Fears of “air pocket” continue to get pushed back as demand exceeds all forecasts; Hyperscalers continue to increase capital expenditure
Tesla, Inc.	Investors optimistic about positive developments in Full-Self Driving (FSD); Trump/Musk relationship signals potential for reduced regulatory burden
Amazon.com, Inc.	Developers and AI startups contribute to robust growth at AWS; across the board strength in cloud, retail, and advertising
ServiceNow, Inc.	Consistent execution and growth suggest ServiceNow’s position as central to digital transformation and AI rollout in the enterprise
Netflix Inc.	Subscriber growth exceeds expectations; foray into live sports (NFL, WWE, boxing) increase Netflix’s reach into audience viewing habits

**DETRACTORS 4Q 2024**

Security	Rationale
Danaher Corporation	Post-COVID normalization of growth is slow to materialize; management’s outlook is optimistic but subdued
UnitedHealth Group, Inc.	Assassination of insurance division CEO highlights public dissatisfaction with the healthcare system, leading to increased scrutiny and negative sentiment toward health insurance companies
HEICO Corporation	Solid results but modest revenue slowing causes stock price pullback after strong YTD performance; opportunities to drive share gains in government contracts create potential upside
Align Technology, Inc.	Uneven macro environment and caution in discretionary consumer spend weighs on volume growth; longer-term secular opportunity remains intact
IDEXX Laboratories, Inc.	Vet clinics continue to face staffing challenges leading to fewer appointments

## LARGE CAP GROWTH COMPOSITE

Year	Gross-of-Fee Return (%)	Net-of-Fee Return (%)	Russell 1000® Growth Return (%)	Portfolios	Dispersion (%)	Composite 3-Year Ex-Post Std. Dev.	Russell 1000® Growth 3-Year Ex-Post Std. Dev.	Composite Assets (\$ Millions)	Ttl Firm Assets (\$ Millions)	Advisory Only (\$Millions)	Ttl Firm Assets & Advisory Only (\$Millions)
2023	38.96	38.31	42.68	<5	N/A	21.08	20.51	0.9	7,429.2	4,432.2	11,861.5
2022	-31.17	-31.53	-29.14	<5	N/A	22.30	23.47	0.7	6,279.5	3,892.8	10,172.3
2021	20.13	19.58	27.60	<5	N/A	16.04	18.17	1.0	9,408.0	6,149.6	15,557.6
2020	33.97	33.34	38.49	<5	N/A	17.23	19.64	0.8	8,478.1	4,896.5	13,374.6
2019	30.34	29.72	36.39	<5	N/A	11.95	13.07	0.9	5,378.3	2,633.2	8,011.5
2018	0.43	-0.05	-1.51	<5	N/A	11.08	12.13	0.7	4,737.1	1,842.0	6,579.1
2017	22.77	22.06	30.21	<5	N/A	9.52	10.54	0.6	5,047.9	1,791.1	6,839.0
2016	9.41	8.41	7.08	<5	N/A	10.18	11.15	0.6	4,686.7	1,546.6	6,233.3
2015	5.95	5.23	5.67	<5	N/A	10.34	10.70	0.3	5,030.8	1,202.4	6,233.2
2014	8.04	7.41	13.05	<5	N/A	8.83	9.59	0.2	5,523.2	1,215.6	6,738.8

**NOTE:** Prior to 10/01/2007, the returns presented for the Large Cap Growth Composite represent the returns of the Large Cap Growth Wrap Composite and represents pure gross of fee performance, gross of all management fees and transaction costs. The Large Cap Growth Wrap performance presented above represents pure gross of fee performance, gross of all management fees and transaction costs. All accounts in the Large Cap Growth Wrap composite have a bundled-fee arrangement. The bundled-fee includes broker fees, investment advisor fees, custodian fees and any administration fees. The firm's management fee for Large Cap Growth Wrap is based on wrap account agreements and is approximately annual 2%. The investment strategy employed is similar for both composites. Since the Large Cap Growth Composite did not have any accounts in it prior to 10/1/2007, we have appended the history of the Large Cap Wrap Composite to demonstrate our experience managing a large cap growth investment strategy. This information is being provided as supplemental information.

**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 Large Cap Growth Composite was created in October 2007 and its inception date was 12/31/1997. It is a diversified growth stock portfolio invested in 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 Russell 1000® Growth Index. The Russell 1000® Growth Index includes the segment of securities within the Russell 1000® Index with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Index is an unmanaged index measuring the performance of the large-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.

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 Large Cap Growth Composite has had a performance examination for the periods 10/01/2007 – 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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