PERFORMANCE (AS OF 06/30/2024)

	2Q 2024	YTD	1 Year	3 Year	5 Year	10 Year	Inception
Mid Cap Growth (Gross)	**-6.85%**	**-2.19%**	**2.98%**	**-4.69%**	**7.35%**	**8.80%**	**8.80%**
Mid Cap Growth (Net)	**-7.08%**	**-2.63%**	**2.06%**	**-5.51%**	**6.60%**	**8.15%**	**8.15%**
Russell Midcap® Growth	-3.21%	5.98%	15.05%	-0.08%	9.93%	10.51%	10.51%

Periods greater than one year are annualized. Inception Date: 06/30/2014.

HIGHLIGHTS

- Russell Midcap Growth declined more than 3 percent, as small and mid caps felt the brunt of shifting Fed expectations and a murky inflation picture
- Strategy underperformed and remained broadly out of favor; in the short-term, the AI hardware boom is leaving behind the software and services business models in which Riverbridge tends to invest
- The equity market likely needs to broaden beyond the largest six companies to advance further, presenting an opportunity for mid caps to assume a leadership role 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 nearly 15% 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.

Mid cap investors, meanwhile, felt the brunt of shifting Fed expectations and a murky inflation picture. The Russell Midcap Growth index declined more than 3 percent in the second quarter. Seven of the benchmark's 11 sectors declined; Health Care and Industrials weighed heaviest on market performance. Communication Services and Utilities, on the other hand, generated double digit returns.

PERFORMANCE COMMENTARY

The Riverbridge Mid Cap Growth strategy declined approximately 7 percent net of fees in the second quarter and trailed its primary benchmark, the Russell 2500 Growth, by just under 3 percent. Year-to-date, the strategy is down approximately 2.6 percent net of fees, against a 6 percent increase for the index.

By a wide margin, this was the worst relative performance the Mid Cap Growth strategy has experienced in the first six months of a year since its inception in June 2014. However, this is not the first time Riverbridge has encountered this type of challenge in its more than 35-year history. In several ways, the current environment resembles the dot com era of the late '90s, when our conservative growth style rotated out of favor and our strategies underperformed for several years. Currently, the Mid Cap Growth strategy is a little over two and a half years into its current down performance cycle.

Like the dot com period, market participants today are optimistic about an emerging technology platform and are trading into hardware and equipment companies amidst the frenzy to build out the necessary infrastructure, as well as speculating about which companies are best positioned to develop generative artificial intelligence use cases. This rotation has come at the expense of business services companies, which continue to grow but have not seen an acceleration in demand for their capabilities. The Mid Cap Growth strategy holds many of these types of companies, as they tend to possess the characteristics we covet - strategic customer relationships, high degrees of recurring revenue, modest if any debt, and solutions that address mission critical needs.

The aftermath of the dot com bubble, on the other hand, provides reasons for forward looking optimism. Though early demand can be staggering, once the infrastructure is built out, there tends not to be an encore that results in sustained earnings power for pure hardware players. In contrast, software and services companies tend to be well positioned to incorporate new technological capabilities into their solutions to strengthen their value proposition to new and existing customers; such companies have captured much of the value of the internet over the past 25 years, and we believe they will capture much of the enduring earnings power created by AI over the next 25. For the time being, however, the strategy's software holdings are the biggest detractors to relative performance.

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At the company level, specialty retailer Five Below (FIVE) has been the largest detractor from performance in 2024 as it deals with store theft and a weakening low-end consumer. While these macro factors are impacting short-term results, the Riverbridge Investment Team remains confident in the management team's long-term ability to build additional stores, grow margins, and reinvest at high returns on capital. Five Below's new stores remain productive with high cash-on-cash returns, laying the foundation for sustained earnings power.

Heico (HEI), on the other hand, has been the strategy's largest contributor to year-to-date returns. Heico is a manufacturer of after-market replacement parts for the airline industry. The FAA mandates replacement of all parts on an aircraft on a fixed schedule based on the number of miles flown; Heico sells their approved parts to airlines at a significant cost savings to the original equipment manufacturers, and as such often become the sole supplier of parts consumed consistently over decades. Record travel demand has increased the demand for their products, and a recent acquisition has provided fruitful synergies.

TRANSACTION COMMENTARY

The Riverbridge Investment Team purchased one new holding in the portfolio in the second quarter. Symbotic (SYM) is a warehouse automation platform, designed from the ground up to provide autonomous robotics and software that helps companies transform their warehouses. Sybotic's offering allows customers to improve store density, throughput, and labor efficiency, and to increase the number of SKUs in a facility. Its largest customer, Walmart, has committed to standardizing all 42 of its regional distribution centers with Symbotic's automation systems by 2029.

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.

PURCHASES 2Q 2024

Security	Sector	Rationale
Symbotic, Inc.	Industrials	Comprehensive warehouse automation platform that was designed from the ground up to provide differentiated autonomous robotics and software to help companies transform their warehouses.

SALES 2Q 2024

Security	Sector	Rationale
There are no liquidated securities.		

CONTRIBUTORS 2Q 2024

Security	Rationale
Tyler Technologies, Inc.	Steady execution as customers look for tech solutions indicates that the company is less susceptible to slowing enterprise spend with its vertical focus.
HEICO Corporation	Record travel increases demand for products; synergies from Wencor acquisition exceeding expectations.
GoDaddy, Inc.	Prior product investments paying off with potential for accelerating revenue and improving margins & cash flow.
Verisk Analytics, Inc.	Growth from product extensions and pricing overcome softening from weaker shopping and weather activity.
Guidewire Software, Inc.	Transition to cloud service continues to progress as customers prioritize strategic investment in core modernization.

DETRACTORS 2Q 2024

Security	Rationale
Five Below, Inc.	Lower-income consumers pull back on discretionary spend due to impact of inflation.
CoStar Group, Inc.	Soft housing data dampens enthusiasm around Homes.com investment as a 2024 growth driver.
Fastenal Company	Slower than expected demand environment hurts quarterly results; however, growth outpaces the market as strategic initiatives continue to drive share gains.
Align Technology, Inc.	Despite solid quarterly results, investor sentiment remains cautious amidst volatility in consumer spending and weakness across the dental industry.
DoubleVerify Holdings, Inc.	Inconsistent ad spend by a few large customers impacts near term revenue growth; products for social media platforms remain in earlier penetration but growth opportunity remains attractive.

MID CAP GROWTH COMPOSITE

Year	Gross-of-Fee Return (%)	Net-of-Fee Return (%)	Russell Midcap® Growth Return (%)	Portfolios	Dispersion (%)	Composite 3-Year Ex-Post Std. Dev.	Russell Midcap® Growth 3-Year Ex-Post Std. Dev.	Composite Assets ($ Millions)	TTL Firm Assets ($ Millions)	Advisory Only ($Millions)	Ttl Firm Assets & Advisory Only ($Millions)
2023	26.06	24.95	25.87	<5	N/A	21.38	21.06	26.3	7,429.2	4,432.2	11,861.5
2022	-31.95	-32.55	-26.72	<5	N/A	24.10	24.53	21.5	6,279.5	3,892.8	10,172.3
2021	7.82	7.11	12.73	<5	N/A	19.50	20.19	0.92	9,408.0	6,149.6	15,557.6
2020	50.16	49.63	35.59	<5	N/A	20.33	21.45	0.57	8,478.1	4,896.5	13,374.6
2019	33.26	32.61	35.47	<5	N/A	14.12	13.88	0.16	5,378.3	2,633.2	8,011.5
2018	-2.33	-2.82	-4.75	<5	N/A	13.66	12.82	0.06	4,737.1	1,842.0	6,579.1
2017	21.80	21.21	25.27	<5	N/A	10.66	10.89	0.07	5,047.9	1,791.1	6,839.0
2016	6.37	5.83	7.33	<5	N/A	N/A	N/A	0.05	4,686.7	1,546.6	6,233.3
2015	-3.88	-4.35	-0.20	<5	N/A	N/A	N/A	0.05	5,030.8	1,202.4	6,233.2
2014*	5.57	5.33	5.07	<5	N/A	N/A	N/A	0.05	5,523.2	1,215.6	6,738.8

**Returns are for the period from 06/30/2014 through 12/31/2014.*

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 Mid Cap Growth Composite was created in June 2014 and its inception date was 06/30/2014. It is a diversified growth stock portfolio invested in mid capitalization growth companies. The general market capitalization guideline can be redefined in 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 Midcap® Growth Index. The Russell Midcap® Growth Index includes the segment of securities within the Russell Midcap® Index with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap® Index is an unmanaged index measuring the performance of the 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 $50,000. Prior to January 1, 2016, the composite minimum value was $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. Gross-of-fee returns are calculated net of transaction costs and gross of management fees. 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. The three-year annualized standard deviation figure presented in 2017 is not presented for years prior as the composite did not have 36 monthly returns as of the specified date. 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 Mid Cap Growth Composite has had a performance examination for the periods 07/01/2014 – 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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