

PERFORMANCE (AS OF 03/31/2026)

	1Q 2026	1 Year	3 Year	5 Year	10 Year	Inception
Small Cap Growth (Gross)	-12.28%	-14.26%	-4.55%	-7.60%	7.85%	11.12%
Small Cap Growth (Net)	-12.50%	-15.11%	-5.50%	-8.52%	6.78%	10.08%
Russell 2000® Growth	-2.81%	23.58%	12.27%	1.62%	9.79%	8.05%

Periods greater than one year are annualized. Inception Date: 06/30/1988. Net of fees returns are calculated net of a model management fee of 1%. Net of fee returns prior to January 1, 2014 are calculated using actual fees and expenses. Please see disclosures section and the GIPS® composite report for further details.

HIGHLIGHTS

- Equity market declined in the first quarter on AI disruption concerns and war in Iran
- Strategy underperformed primarily due to an indiscriminate sell-off across our software and professional services holdings and strength in asset-intensive Industrials and Energy companies that do not fit our investment criteria
- As 2026 progresses, we expect the Riverbridge portfolio companies to demonstrate business durability, customer stickiness, and efficiency gains from integrating AI into their operations, which could set the stage for a powerful rebound in many of our holdings that we believe are currently undervalued

MARKET COMMENTARY

Investor anxiety climbed steadily throughout the first quarter of 2026. After a strong January for small cap equities, February was defined by the so-called “SaaSpocalypse,” during which a series of model releases and product announcements from the major AI labs and other startups led to disruption fears and an indiscriminate sell-off across a broad swath of software and information services business models. Then on February 28, the US and Israel launched a surprise attack on Iran, sparking a war that has destabilized the region, disrupted key global shipping lanes, and stoked fears of supply shocks or an economic downturn.

In the end, the Russell 2000 Growth index finished the first quarter down about 3%, though there were distinct pockets of strength and weakness.

The Energy sector surged more than 25% as oil prices spiked amid a shipping blockade in the Strait of Hormuz, through which approximately 20% of the world’s oil supply flows. Industrials and Materials were the other two sectors that generated positive returns, as strength continued in areas tied to AI infrastructure with hyperscalers announcing accelerating capital expenditure plans. Industries such as Electrical Equipment, Construction & Engineering, Building Products, and Construction Materials outperformed.

Information Technology and Health Care were the primary drags on the Russell 2000 Growth. Software was the weak spot in IT, while Health Care’s underperformance was broad-based - the Biotechnology industry was the only area that delivered better returns than the benchmark.

PERFORMANCE COMMENTARY

The Riverbridge Small Cap Growth strategy underperformed in the first quarter as our investment style was broadly out of favor. Consumer Discretionary was the only sector in the portfolio that generated positive relative performance; Industrials, Information Technology, and Health Care were the largest detractors.

For the time being, the Riverbridge investment philosophy is on the wrong side of the AI trade. Particularly in Industrials, the portfolio continues to be hurt by a lack of exposure to the asset-intensive, cyclical businesses that are participating in the AI infrastructure buildout, such as those in the Electrical Equipment and Construction & Engineering industries.

In addition, the Small Cap Growth strategy found itself in the crosshairs of the first quarter’s AI fear trade. What started as a software sell-off spread to a broad range of asset-light industries, negatively impacting portfolio holdings across not only IT but also Industrials, Health Care, and Financials.

In our view, the negative sentiment around the strategy’s software and services holdings is disconnected from both their current fundamental strength and the forward-looking opportunity presented by applying AI to their businesses. Our perspective is supported by the earnings and outlook of our software and services holdings, our frequent cross-checks with customers and other relevant industry experts, and nearly 40 years of experience investing through major technology cycles.

Despite headlines suggesting AI could commoditize entire industries, our ongoing research is revealing that AI is likely to enhance the value of established platforms through improving product capabilities, accelerating innovation cycles, and expanding total addressable markets. A key characteristic we seek across our portfolio companies is that they are deeply embedded in customer workflows and often mission critical. For such businesses, we expect AI to unlock profit-enhancing, moat-expanding opportunities. Despite stock declines, many of our portfolio companies considered to be AI-threatened continue to deliver strong reports and outlooks. Examples include Workiva (WK) and Descartes (DSGX) in Information Technology, Paylocity (PCTY) in Industrials, and Privia Health (PRVA) in Health Care.

The death of software narrative also ignores the fact that major technology transitions have historically led to higher demand for software and digital services. AI may well displace companies that offer standalone tools pointed at low-risk workflows or publicly available data, but those are not characteristics of Riverbridge portfolio companies. We seek to invest in scaled platforms built on deep domain expertise, proprietary data, and strategic customer relationships. In our view, such companies will be the primary beneficiaries of the deployment of AI by providing high-value, productivity-enhancing capabilities within trusted, mission-critical environments, increasing both the addressable market and pricing power of their solutions. We believe investors will look back at the recent market volatility as a short-term disconnect between stock prices and the enduring earnings power of such enterprises.

At the stock specific level, the SaaS sell-off was well represented, in some cases despite fundamentals. The strategy's two biggest detractors from performance - Paylocity (PCTY) and Workiva (WK) - beat earnings estimates and raised guidance during the quarter. Physician enablement platform Doximity (DOCS), meanwhile, declined after issuing soft guidance, as their pharmaceutical and biotechnology customers have not yet committed to their advertising budgets amid heightened uncertainty in their own end markets. In Health Care, bioprocessing technologies provider Repligen (RGEN) similarly delivered solid results but issued conservative guidance and was hit by some headlines around potential competition in its filtering business line.

On the contributors side, Consumer Discretionary was the strategy's best performing sector. Value retailer Five Below (FIVE) delivered continued momentum in both sales growth and margins as it refocuses on its core pre-teen customers with a differentiated shopping experience and on-trend merchandise;

and Grand Canyon Education (LOPE) continues to see strong demand, particularly in its hybrid campuses and nursing programs. There were also some bright spots in Information Technology. Machine vision pioneer Cognex (CGNX) saw both demand improvement and expanding margins due to operational discipline, and power conversion semiconductor designer Power Integrations (POWI) reported a recovery in its end markets and good uptake on new products.

TRANSACTION COMMENTARY

The Riverbridge investment team initiated four new positions during the first quarter across a diverse set of industries. Casella Waste Systems (CWST) is a vertically integrated solid-waste company whose strong regional density and ownership of scarce landfill assets creates a resilient, strategic position in its market. Dutch Bros (BROS) is a rapidly growing drive-thru beverage concept that attracts a younger demographic through specialty coffee and energy drinks. Lemaitre Vascular (LMAT) is a niche medical device company providing a large set of products used by vascular surgeons in open procedures, often commanding an 80-90% market share in their categories. Appfolio (APPF) provides core systems and value-added services to professional property management companies to assist them in controlling expenses while keeping properties full, maintained, and attractive to tenants.

We also sold three positions - Clearwater Analytics (CWAN), Blackline (BL), and Phreesia (PHR). Clearwater was sold after it was announced that it would be acquired by private equity; Blackline struggled to shift to a platform pricing model, reducing our confidence in a growth acceleration; Phreesia failed to consistently execute, and frequent strategy pivots indicated a lack of differentiation.

OUTLOOK

As 2026 progresses, we expect the Riverbridge portfolio companies to demonstrate business durability, customer stickiness, and efficiency gains from integrating AI into their operations. In addition, many of our holdings will have the opportunity to accelerate sales by offering new AI products to their existing customers.

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Concurrently, we believe the market will begin to turn its attention to the return on investment of AI. Ironically, the companies we believe are best positioned to use the infrastructure that has driven the equity markets the past three years are the ones that have been punished by investors for supposedly being at risk of displacement by AI. We expect earnings reports in the next few quarters to quell those fears, which could set the stage for a powerful rebound in many of our portfolio companies that we believe are currently undervalued.

Periods of uncertainty often create opportunities for long-term investors willing to maintain discipline and a focus on fundamentals. As valuations adjust and expectations reset, companies with durable competitive advantages, strong balance sheets, and consistent earnings growth potential are often positioned to benefit most.

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.

Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Riverbridge) or any other discussion made reference to directly or indirectly in this commentary will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. You should not assume that any discussion or information contained in this commentary serves as the receipt of, or as a substitute for, personalized investment advice from Riverbridge, nor should it be construed in any way as tax, accounting, legal or regulatory advice.

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. Composite net of fees returns are calculated by reducing the gross returns by the maximum management fee of 1%. This fee is applied monthly to the gross return at 1/12th the annual rate, which is 0.0833% per month. Net of fee returns, including all Composite inception returns, prior to January 1, 2014 are calculated using actual fees and expenses. Actual Fees may vary depending on, among other things, the applicable fee schedule and portfolio size. A description of our services and fees is included in our Brochure, ADV Part 2, which is available upon request.

PURCHASES 1Q 2026

Security	Sector	Rationale
AppFolio, Inc.	Information Technology	Provides core systems and value-added services to professional property management companies to assist them in controlling expenses while keeping properties full, maintained, and attractive to tenants.
Casella Waste Systems, Inc.	Industrials	Vertically integrated solid waste company offering services including waste collection, transfer, disposal, and recycling, primarily across the Northeast and Mid-Atlantic.
Dutch Bros, Inc.	Consumer Discretionary	Rapidly growing drive-thru beverage concept with unique brand culture, loyal customer base, and innovative product offerings focused on specialty coffee and energy drinks.
LeMaitre Vascular, Inc.	Health Care	Niche medical device company providing a large set of products used by vascular surgeons in open procedures, often commanding an 80-90% market share in their categories.

SALES 1Q 2026

Security	Sector	Rationale
BlackLine, Inc.	Information Technology	Slower than expected shift to platform based pricing model reduces confidence in growth acceleration.
Clearwater Analytics Holdings, Inc.	Information Technology	Announced to be acquired by private equity.
Phreesia, Inc.	Health Care	Failure to consistently execute, and frequent strategy pivots indicated lack of differentiation.

CONTRIBUTORS 1Q 2026

Security	Rationale
Five Below, Inc.	Strong sales and improved margin outlook reinforce turnaround results into 2026.
Ensign Group, Inc.	Faster turnarounds at acquired facilities boost financials and allow for more M&A.
Cognex Corporation	Operational discipline raises longer-term margin framework; results and outlook also point to demand improvement.
Power Integrations, Inc.	Recovering end markets and new product traction improve outlook; new CEO driving R&D focus.
Transcat, Inc.	Organic growth rate improves as customers move past tariff uncertainty.

DETRACTORS 1Q 2026

Security	Rationale
Workiva, Inc.	General AI related uncertainty overshadows otherwise good fundamental progress.
Paylocity Holding Corporation	General AI displacement fears with additional uncertainty about employment levels.
SPS Commerce, Inc.	Near-term growth expectations continue to be tempered by lingering tariff-driven cost pressures on retail suppliers; broader AI narrative across software amplifies negative sentiment.
Doximity, Inc.	Customers less willing to commit to advertising budgets as they assess their own business risk and opportunities.
Repligen Corporation	Conservative guidance and competitive filtering headlines offset improving fundamentals across segments.

SMALL CAP GROWTH COMPOSITE

Year	Gross-of-Fee Return (%)	Net-of-Fee Return (%)	Russell 2000® Growth Return (%)	Portfolios	Dispersion (%)	Composite 3-Year Ex-Post Std. Dev.	Russell 2000® Growth 3-Year Ex-Post Std. Dev.	Composite Assets (\$ Millions)	TTL Firm Assets (\$ Millions)	Advisory Only (\$Millions)	TTL Firm Assets & Advisory Only (\$Millions)
2025	-14.42	-15.28	13.01	61	0.14	18.40	20.04	991.1	5,027.0	3,585.3	8,612.3
2024	4.75	3.71	15.15	87	0.26	21.44	23.99	1,719.6	6,877.6	4,387.5	11,265.1
2023	21.21	20.00	18.66	102	0.36	20.30	21.79	2,132.8	7,429.2	4,432.2	11,861.5
2022	-31.79	-32.47	-26.36	104	0.30	24.40	26.20	1,897.0	6,279.5	3,892.8	10,172.3
2021	4.58	3.54	2.83	105	0.30	21.25	23.07	2,456.5	9,408.0	6,149.6	15,557.6
2020	55.10	53.56	34.63	97	0.84	22.70	25.10	2,402.9	8,478.1	4,896.5	13,374.6
2019	28.32	27.05	28.48	97	0.27	15.31	16.37	1,396.4	5,378.3	2,633.2	8,011.5
2018	8.14	7.07	-9.31	104	0.47	15.47	16.46	1,372.9	4,737.1	1,842.0	6,579.1
2017	24.09	22.85	22.17	107	0.60	12.99	14.59	1,408.0	5,047.9	1,791.1	6,839.0
2016	14.23	13.09	11.32	111	0.75	15.29	16.67	1,566.9	4,686.7	1,546.6	6,233.3

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 Small Cap Growth Composite was created in July 1988 and its inception date was 06/30/1988. It is a diversified growth stock portfolio invested in small 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 2000® Growth Index. The Russell 2000® Growth Index includes the segment of securities within the Russell 2000® Index with higher price-to-book ratios and higher forecasted growth values. The Russell 2000® Index is an unmanaged index measuring the performance of the small-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. Gross-of-fee returns are calculated net of transaction costs and gross of management fees. Effective January 1, 2025, net-of-fee returns are changed retroactively to calculate by reducing the gross returns by the maximum fee of 1% charged to any account in the composite for the respective period. The 1% model fee is the highest tier of the current composite fee schedule. This fee is applied monthly to the gross return at 1/12th the annual rate, which is 0.0833% per month. Actual Fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The composite may contain accounts with performance based fees. Investment management fees are described in Part 2 of Riverbridge's form ADV. Prior to January 1, 2025, net-of-fee returns were calculated on the actual annual fee. 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 – 12/31/2025. 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 Small Cap Growth Composite has had a performance examination for the periods 07/01/1988 – 12/31/2025. 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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