

# CONESTOGA FUNDS

## MARKET REVIEW

U.S. equity markets surged higher in the fourth quarter and the S&P 500 and Russell 2000 indices finished 2019 with their second-best calendar year return for the decade (2013 was the highest). Economic indicators released during the quarter continued to reflect a global economy that was performing well, with modest growth and full employment. Additionally, markets benefited from more clarity on two issues: U.S. – China trade and Brexit. An agreement on a phase one trade deal with China provided optimism for continued progress on trade and the reduction of tariffs, while the U.K. Parliament elections all but confirmed that Brexit will likely move forward in 2020.

The Health Care sector was a key driver of small capitalization stock performance in the fourth quarter. Health Care was the only sector to outperform both the Russell 2000 and Russell 2500 indices in the period. The strong performance was driven by the biotechnology and pharmaceutical industries, as investors cheered the combination of mergers and acquisition activity, new drug approvals, and declining prospects for the most progressive presidential candidates. Given Conestoga's focus on companies with positive earnings and other quality characteristics, we are typically underweighted to biopharma companies and this acted as a significant drag on relative returns in the fourth quarter.

Small capitalization Growth stocks continued to outperform Value stocks during the fourth quarter and for the full year 2019. This caps a decade where the Russell 2000 Growth Index outperformed the Russell 2000 Value Index by an annualized rate of over 3%. The 2000 Value's heavy exposure to banks and other credit sensitive industries has weighed on relative returns in an era of low interest rates and a flat yield curve.

The above environment proved challenging for the Conestoga Small Cap Fund and Conestoga SMid Cap Fund, both of which underperformed in the fourth quarter. For the full year 2019, the Small Cap Fund underperformed and the SMid Cap Fund outperformed their respective benchmarks.

## PERFORMANCE

	Total Returns % (As of 12/31/19)	Average Annualized Total Return					
		QTD	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception 1/21/14 12/15/14
<b>CONESTOGA SMID CAP FUND</b>							
CCSMX—Investors Class	5.40	33.48	21.39	14.54		10.52	
CCSGX—Institutional Class	5.45	33.79	21.66	14.81			15.37
Russell 2500™ Growth Index	10.57	32.65	15.17	10.84		10.06	11.82
Russell 2500™ Index	8.54	27.77	10.33	8.93		8.55	9.94
<b>CONESTOGA SMALL CAP FUND</b>							
CCASX—Investors Class	5.32	25.18	17.39	14.79	14.69	12.38	
CCALX—Institutional Class	5.39	25.42	17.63	15.03			14.89
Russell 2000® Growth Index	11.39	28.48	12.49	9.34	13.01	11.35	10.08
Russell 2000® Index	9.94	25.53	8.59	8.23	11.83	10.63	8.81
Annual Operating Expenses	CCSMX	CCSGX	CCASX	CCALX	Expenses shown are paid each year as a percentage of the value of your investments. The Advisor has contractually agreed to limit the Fund's net annual operating expenses until at least 1/31/2020, subject to termination at any time at the option of the Fund. There is no guarantee that the agreement to limit the Fund's net annual operating expense will be renewed or extended.		
Gross Expense Ratio	2.15%	1.62%	1.49%	0.99%			
Net Expense Ratio	1.10%	0.85%	1.10%	0.90%			

**The performance data quoted represents past performance. Past performance does not guarantee future results. The Fund's annual operating expense ratios can fluctuate and may differ from that found in the prospectus.** Both the Conestoga SMid Cap and Small Cap Funds have adopted a Shareholder Servicing Plan that will allow the Fund to pay an annual fee of up to 0.10% of its average daily net assets for providing services to the Funds' Institutional Class shareholders and 0.25% for the Funds' Investors Class shareholders. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month-end, contact the investment advisor at 800-320-7790. The Russell 2500 Growth Index measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2500 Index offers investors access to the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Index is an index that measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The Russell 2500™ Growth Index, Russell 2500™ Index, the Russell 2000® Growth Index, and the the Russell 2000® Index are tradenames of Russell Investments. An individual cannot invest directly in an index.

## FOURTH QUARTER 2019 COMMENTARY

### INVESTMENT PHILOSOPHY

Our high quality conservative growth philosophy seeks to take advantage of the inefficient discovery process for small and mid capitalization companies and other investors' focus on near-term earnings. We employ our 'time horizon arbitrage' principles by identifying these higher quality companies that we believe are capable of growing through multiple business cycles.

### KEY TENANTS OF OUR STYLE

- High Quality Conservative Growth
- Patient, Long-Term Approach
- High Conviction
- Consistency of Returns with Low Volatility and Downside Protection

For more information about  
**THE CONESTOGA FUNDS,**  
Please contact us at  
**800-320-7790.**  
[www.conestogacapital.com](http://www.conestogacapital.com)

### RISK CONSIDERATIONS:

Mutual fund investing involves risk, principal loss is possible. Both the Conestoga Small Cap Fund and the Conestoga SMid Cap Funds invest primarily in growth stocks with the potential for significant growth and may be more volatile because they are more sensitive to market conditions. The Funds may seek to buy these stocks at undervalued prices and this involves the risk that the securities may remain undervalued for an extended period of time and may not realize their full potential. Investments in smaller cap securities may involve greater risks due to higher volatility and less liquidity than larger more established companies.

## CONESTOGA SMID CAP FUND

For the Quarter Ending, December 31, 2019

### PERFORMANCE COMMENTARY AND OUTLOOK

The Conestoga SMid Cap Fund underperformed the Russell 2500 Growth in the fourth quarter. The underweight to the biotechnology industry within the Health Care sector was the primary detractor from return followed by negative stock selection effects in the Producer Durables sector. The Index's 10.7% weighting to biotechnology rose over 27% and contributed 26% of the Index's quarterly return. Conestoga's SMid Cap Fund averaged a 3.4% exposure to the biotechnology industry, and producing a strong positive return, though less than the benchmark in the fourth quarter. Also within the Health Care sector, the Fund's exposures to medical device and services companies detracted from relative returns.

Stock selection across other economic sectors was modestly negative. Sector allocations were also modestly negative, although most of the negative sector allocation effects were due to the small allocation to cash, which detracts from return in strong up markets such as the fourth quarter.

Despite lagging the Russell 2500 Growth Index in the fourth quarter, the Conestoga SMid Cap Fund was able to retain its outperformance versus its benchmark over the full year. Stock selection overall provided the entirety of the excess return versus the benchmark while sector allocations (including cash) did not have an impact on returns. Stock selection was strongest in the Producer Durables sector, which was home to three of the Fund's top five contributors to return for the year. Each of these companies delivered revenue and earnings growth results which lifted their stock prices. All three positions are long-term holdings which have been part of the strategy since 2014.

Stock selection was weakest within the Health Care sector during 2019. Our underweight to the biotechnology industry detracted from relative returns during the year. Despite this headwind, the strategy only modestly underperformed the benchmark in the Health Care sector as a couple of long-time holdings generated positive effects.

We are cautiously optimistic that U.S. equities, and in particular small- and mid-capitalization growth stocks, can continue to move higher in 2020. In an economy with modest growth, low interest rates and above average valuations, returns will likely be driven by earnings growth. We expect spikes in volatility through the year as investors assess the U.S. elections, trade negotiations and other geopolitical events. While developments in any macro category are nearly impossible to forecast. Conestoga remains focused on identifying companies that we believe can deliver long-term earnings growth and which we believe are priced at reasonable valuations.

### TOP 5 CONTRIBUTORS

For the Quarter Ending, December 31, 2019	Port. Ending Wgt. (%)	% Contrib.
Axon Enterprise, Inc.	2.43	0.61
Douglas Dynamics, Inc.	2.53	0.55
SiteOne Landscape Supply, Inc.	2.18	0.46
Fair Isaac Corp.	2.43	0.45
Repligen Corp.	2.41	0.45

### BOTTOM 5 DETRACTORS

For the Quarter Ending, December 31, 2019	Port. Ending Wgt. (%)	% Contrib.
Mercury Systems, Inc.	2.25	-0.36
Albany International Corp.	1.25	-0.24
HEICO Corporation—CI A	2.46	-0.22
Blackbaud, Inc.	1.46	-0.21
Cantel Medical Corp.	2.22	-0.16

Source: FactSet

### PORTFOLIO POSITIONING AND ACTIVITY (Ticker, % Portfolio Weight as of 12/31/2019)

Our largest overweights to the Russell 2500 Growth benchmark are in the Producer Durables and Materials and Processing sectors while the largest underweights are in the Financial Services and Health Care Sectors. These exposures are a result of our bottom-up fundamental research and not because of top-down calls or thematic investing.

We purchased 1 new name for the Fund portfolio in the quarter. Altair Engineering, Inc. (ALTR, 1.1%) was added to the Conestoga Small Cap Fund in the third quarter of 2019, and we determined to add ALTR to the SMid Cap Fund in the fourth quarter. The company is a provider of enterprise-class simulation software enabling engineers to innovate across a products' entire life-cycle. ALTR's simulation-driven approach is powered by a broad portfolio of high-fidelity and high-performance physics solvers that targets the \$6 billion computer-aided engineering corner of the \$44 billion product lifecycle management market (source: CIMdata). We believe ALTR is positioned to grow revenue at 15-20% annually over the long term, with margin expansion further improving profitability.

During the quarter we increased our weighting in 12 positions (one holding added twice) and trimmed 1 name. There were no complete sells during the quarter. Over the course of the full year 2019, Conestoga added 11 new stocks to the portfolio in 2019, while removing 8 stocks in their entirety.

### CONESTOGA SMID CAP FUND

#### CCSMX - Investors Class

OVERALL ★★★★★ RATING<sup>1</sup>

#### CCSGX - Institutional Class

OVERALL ★★★★★ RATING<sup>1</sup>

Among 565 Mid Growth Funds as of 12/31/2019. The Overall Morningstar Rating™ is based on risk-adjusted returns, derived from the weighted average of the Fund's 3-, 5-, and 10-year (if applicable) Morningstar metrics.

### FUND INFORMATION

As of 12/31/2019

Total Fund Assets \$145 Million

Number of Holdings 54

#### CCSMX—Investors Class

Fiscal Year End 9/30

Inception Date 1/21/14

CUSIP 20719506

Total Assets \$50 Million

#### CCSGX—Institutional Class

Fiscal Year End 9/30

Inception Date 12/15/14

CUSIP 207019605

Total Assets \$95 Million

*The information provided in this material is not reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase or sell a particular security. The specific securities identified and described in this report do not represent all of the securities purchased, sold or recommended for advisory clients, and you should not assume that investments in the securities identified and discussed will be profitable in the future. To obtain our performance calculation methodology and a list showing the contribution of each holding in the Fund to the overall Fund's performance during the quarter, please contact the Advisor at 800-320-7790.*

## CONESTOGA SMID CAP FUND

For the Quarter Ending, December 31, 2019

### 10 LARGEST HOLDINGS

	Port. Wgt. (%)
Bright Horizons Fam. Sol., Inc.	3.07
Omniceil, Inc.	2.99
Pool Corporation	2.83
Douglas Dynamics, Inc.	2.52
Henry Jack & Assoc., Inc.	2.49
HEICO Corporation	2.45
Axon Enterprise, Inc.	2.43
Fair Isaac Corporation	2.42
Tyler Technologies, Inc.	2.41
Repligen Corporation	<u>2.41</u>
Total 10 Largest	26.02%

### SECTOR DIVERSIFICATION

	Conestoga SMid Cap Fund	Russell 2500 Growth Index
Consumer Discretionary	17.15	16.59
Consumer Staples	2.91	2.05
Energy	0.59	0.69
Financial Services	6.65	12.35
Health Care	19.45	24.18
Materials & Processing	8.49	5.85
Producer Durables	20.17	16.19
Technology	21.09	20.60
Utilities	—	1.51
Cash	<u>3.51</u>	—
	100.00%	100.00%

Portfolio holdings, sectors and metrics are subject to change.

### PORTFOLIO MANAGEMENT

Long history of managing assets in the small/mid cap growth space



**Robert Mitchell**  
Co-Portfolio Manager

- 25 Yrs. Investing Experience



**Derek Johnston**  
Co-Portfolio Manager

- 24 Yrs. Investing Experience

### PORTFOLIO METRICS

	Conestoga SMid Cap Fund	Russell 2500 Growth Index
Price/Earnings (1 Yr. Fwd.)	33.8x	32.6x
Earnings Growth (3-5 Year Est.)	13.8%	15.5%
Weighted Avg. Market Cap	\$6,541 Mil	\$5,963 Mil
ROE – Five Year Weighted Avg.	14.7%	5.4%
Long Term Debt/Capital	25%	35%
12 Month Turnover Rate	18.3%	N/A

Source: FactSet

### ABOUT CONESTOGA CAPITAL ADVISORS

- Founded in 2001
- 100% Employee-owned with Broad Based Ownership
- Focus on Small, SMid and Mid Cap Investing
- Experienced 5-Person Team Averaging 23 Years Industry Experience
- Steady Growth of Assets Over Time with a Diversified Client Base
- Firm Assets Over \$4.8 Billion (As of 12/31/2019)

### Important Information

**An investor should consider investment objectives, risks, charges, and expenses carefully before investing. Download a prospectus at [www.conestogafunds.com](http://www.conestogafunds.com), which contains this information or call the Fund toll free 1-800-494-2755. Read the prospectus carefully before investing or sending money.**

Portfolio Metrics Definitions: P/E (1 Yr Fwd) is the ratio of a stock's price to forecasted earnings over the next year. Earnings growth is the forecasted growth rate of a company's earnings over the next 3-5 years. Market Cap is the market value of a publicly traded company's outstanding shares. ROE (Five Yr. Average) is calculated as a company's net income divided by its shareholders' equity, and is a measure of profitability. Long-Term Debt/Capital is a measure of how much debt a company is using to finance its operations, and is determined by dividing long-term debt by total capitalization. Forecasted data is sourced from FactSet Research Systems and represents the average of sell-side analyst forecasts.

<sup>1</sup>The Morningstar Rating™ for funds, or "star rating" is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating is a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings are subject to change monthly. The Investor Class of the Conestoga SMid Cap Fund received 5 stars for the 3-year and 5-year periods ended 12/31/19 among 565 and 501 mid growth funds, respectively. The Institutional Class of the Conestoga SMid Cap Fund received 5 stars for the 3-year and 5-year periods ended 12/31/19 among 565 and 501 mid growth funds, respectively. © 2019 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Ultimus Fund Distributors, LLC. (Member FINRA & SIPC) serves as the Distributor to the Conestoga Funds.

## CONESTOGA SMALL CAP FUND

For the Quarter Ending, December 31, 2019

### PERFORMANCE COMMENTARY AND OUTLOOK

The Conestoga Small Cap Growth Fund underperformed the Russell 2000 Growth Index in the fourth quarter. Stock selection effects were negative and largely within the Health Care sector. Sector allocation effects were negative and were also impacted primarily by the Health Care sector, which was underweighted relative to the benchmark.

The Health Care sector of the Russell 2000 Growth Index rose over 23% in the fourth quarter, the only economic sector to outperform the Russell 2000 Growth Index. The Health Care sector makes up 28.3% of the benchmark, including a 13.8% exposure to the biotechnology industry. By comparison, the Conestoga Small Cap Fund averaged an 18.3% exposure to the Health Care sector and a 4.3% weighting in the biotechnology industry. Biotech stocks surged in the fourth quarter on a combination of factors – they rose over 34% within in the benchmark and contributed 4.29% of the benchmark's 11.39% return (source: FactSet). Conestoga holds two biotechnology stocks in the Fund with an approximate 4% portfolio weight – both of which posted positive returns but trailed the Index biotechnology industry returns.

The Technology sector also proved challenging to the Fund portfolio in the fourth quarter. Conestoga's overweight to this weaker performing sector detracted from return, as did several stocks within the sector. Producer Durables was the bright spot in the strategy this quarter, with positive stock selection effects led by two companies that announced revenue and earnings growth which cheered investors.

After outperforming the Russell 2000 Growth in the first nine months of 2019, the weak relative returns of the fourth quarter caused the Conestoga Small Cap Fund to underperform for the full calendar year. Stock selection effects in the Consumer Discretionary and Health Care sectors detracted from relative return, while sector allocations across the portfolio had little impact overall. Stock selection was strongest in the Technology sector. Of note, the Fund experienced three acquisitions in 2019 which added to relative returns.

We are cautiously optimistic that U.S. equities, and in particular small- and mid-capitalization growth stocks, can continue to move higher in 2020. In an economy with modest growth, low interest rates and above average valuations, returns will likely be driven by earnings growth. We expect spikes in volatility through the year as investors assess the U.S. elections, trade negotiations and other geopolitical events. While developments in any macro category are nearly impossible to forecast, Conestoga remains focused on identifying companies that we believe can deliver long-term earnings growth and which we believe are priced at reasonable valuations.

### TOP 5 CONTRIBUTORS

For the Quarter Ending, December 31, 2019	Port. Ending Wgt. (%)	% Contrib.
Bottom Technologies (de), Inc.	2.53	0.73
Douglas Dynamics, Inc.	2.54	0.54
Simpson Manufacturing Co., Inc.	2.57	0.53
Repligen Corp.	2.81	0.52
ACI Worldwide, Inc.	2.48	0.46

### BOTTOM 5 DETRACTORS

For the Quarter Ending, December 31, 2019	Port. Ending Wgt. (%)	% Contrib.
Mercury Systems, Inc.	2.06	-0.40
Vocera Communications, Inc.	1.57	-0.33
Albany International Corp.	1.59	-0.31
Blackbaud, Inc.	1.94	-0.28
FirstService Corp.	1.55	-0.18

Source: FactSet

### PORTFOLIO POSITIONING AND ACTIVITY

Our largest overweights to the Russell 2000 Growth Index benchmark are in the Technology and Producer Durables sectors while the largest underweights are in Financial Services and Consumer Discretionary sectors. These exposures are a result of our bottom-up fundamental research and are not driven by top-down calls or thematic investing. There were no new companies added to the portfolio in the fourth quarter, nor were there any companies removed in their entirety. Conestoga added to six positions and trimmed two positions during the period. The portfolio remains invested in 50 stocks. Over the course of 2019, Conestoga added eight new stocks and removed eight stocks from client portfolios. This is well within our normal range of six to twelve new companies per year. While the equity markets have approached all-time highs and valuations remain above long-term averages, our team has still been able to identify new companies that we believe are consistent with our investment criteria.

### CONESTOGA SMALL CAP FUND

CCASX - Investors Class 

OVERALL ★★★★★ RATING<sup>1</sup>

CCALX - Institutional Class 

OVERALL ★★★★★ RATING<sup>1</sup>

Among 571 Small Growth Funds as of 12/31/2019. The Overall Morningstar Rating™ is based on risk-adjusted returns, derived from the weighted average of the Fund's 3-, 5-, and 10-year (if applicable) Morningstar metrics.

### FUND INFORMATION

As of 12/31/2019

Total Fund Assets \$2.7 Billion

Number of Holdings 50

#### CCASX—Investors Class

Fiscal Year End 9/30

Inception Date 10/1/02

CUSIP 207019100

Total Assets \$872 Million

#### CCALX—Institutional Class

Fiscal Year End 9/30

Inception Date 8/13/14

CUSIP 207019704

Total Assets \$1,877 Million

*The information provided in this material is not reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase or sell a particular security. The specific securities identified and described in this report do not represent all of the securities purchased, sold or recommended for advisory clients, and you should not assume that investments in the securities identified and discussed will be profitable in the future. To obtain our performance calculation methodology and a list showing the contribution of each holding in the Fund to the overall Fund's performance during the quarter, please contact the Advisor at 800-320-7790.*

## CONESTOGA SMALL CAP FUND

For the Quarter Ending, December 31, 2019

### 10 LARGEST HOLDINGS

	Port. Wgt. %
Exponent, Inc.	4.02
Descartes Sys Group, Inc.	3.64
Omniceil, Inc.	3.05
Cantel Medical Corp	2.87
Repligen Corp	2.81
Mesa Labs, Inc.	2.81
Fox Factory Holding Corp	2.79
Trex Co., Inc.	2.60
Simpson Manufac. Co., Inc.	2.57
Douglas Dynamics, Inc.	<u>2.54</u>
Total 10 Largest	29.70%

### SECTOR DIVERSIFICATION

(Percent %)	Conestoga Small Cap Fund	Russell 2000 Growth Index
Consumer Discretionary	8.36	13.68
Consumer Staples	4.48	3.10
Energy	0.00	1.11
Financial Services	1.55	10.90
Health Care	18.25	30.16
Materials & Processing	11.52	6.75
Producer Durables	24.32	15.95
Technology	28.96	16.04
Utilities	—	2.30
Cash	<u>2.57</u>	—
Total	100.00%	100.00%

Portfolio holdings, sectors and metrics are subject to change.

### PORTFOLIO MANAGEMENT

Long history of managing assets in the small/mid cap growth space



**Robert Mitchell**  
Co-Portfolio Manager

- 25 Yrs. Investing Experience



**Joseph Monahan**  
Co-Portfolio Manager

- 38 Yrs. Investing Experience

### PORTFOLIO METRICS

	Conestoga Small Cap Fund	Russell 2000 Growth Index
Price/Earnings (1 Yr. Fwd.)	31.7x	44.3x
Earnings Growth (3-5 Year Est.)	16.3%	15.3%
PEG Ratio	1.95	2.90
Weighted Avg. Market Cap	\$3,232 Mil	\$2,740 Mil
ROE – Five Year Weighted Avg.	12.1%	-2.8%
Long Term Debt/Capital	20.5%	31.3%
12 Month Turnover Rate	19.1%	N/A

Source: FactSet

### ABOUT CONESTOGA CAPITAL ADVISORS

- Founded in 2001
- 100% Employee-owned with Broad Based Ownership
- Focus on Small, SMid and Mid Cap Investing
- Experienced 5-Person Team Averaging 23 Years Industry Experience
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<sup>1</sup>The Morningstar Rating™ for funds, or "star rating" is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating is a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings are subject to change monthly. The Investors Class of the Conestoga Small Cap Fund received 4 stars for the 3- and 10-year periods ended 12/31/19 among 571, and 379 small growth funds, respectively; and 5 stars for the 5-year period ended 12/31/19 among 505 small growth funds. The Institutional Class of the Conestoga Small Cap Fund received 5 stars for the 5- and 10-year periods, ended 12/31/19 among 505 and 379 small growth funds, respectively; and 4 stars for the 3-year period among 571 small growth funds. © 2019 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Both the Investors Class and Institutional Class of the Conestoga Small Cap Fund received a Silver Morningstar Analyst Rating™ on 10/18/19. The Morningstar Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark, or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weight of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's conviction in a fund's prospects for outperformance. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to [global.morningstar.com/managerdisclosures/](http://global.morningstar.com/managerdisclosures/). The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause Analyst expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.