



The Conestoga SMid Cap Fund Presentation  
Fourth Quarter 2019



### Robert M. Mitchell

*Co-Founder, Managing Partner, Portfolio Manager, Research Analyst*

- 25 years of investing experience
  - Conestoga Capital Advisors (2001 - Present)
  - Martindale Andres & Company (1995 - 2001) - Portfolio Manager/Analyst
- MBA from Indiana University's Kelley School of Business
- BA from University of Notre Dame



### Derek S. Johnston, CFA

*Partner, Portfolio Manager, Research Analyst*

- 24 years of investing experience
  - Conestoga Capital Advisors (2015 - Present)
  - 300 North Capital LLC (2007 - 2015) - Portfolio Manager/Analyst
  - Engemann Asset Management (2005 - 2007) - Equity Research Analyst
  - Banc of America Securities (2002 - 2005) - Equity Research Analyst
- MBA from University of Southern California's Marshall School of Business
- BS from Boston College



## Defining Characteristics

Independent – 100% employee-owned with broad-based equity ownership

Focused – We specialize in Small and Mid Cap Growth Equities

High Quality Conservative Growth – Strive to invest in companies with sustainable earnings growth and strong balance sheets

Long-Term Investors – We invest in companies, we are not stock traders

High Conviction – Typical portfolio of 40-60 stocks provides balance between alpha generation and diversification

Low Volatility & Downside Protection – History of low volatility demonstrates the strategy's conservative growth style

Consistency – Consistently applied investment discipline has resulted in strong risk-adjusted returns over full market cycles

### Firm Highlights

#### Independent

- Founded in 2001 and located in the Philadelphia suburb of Wayne, PA
- 100% employee-owned with broad-based ownership
- Ownership structure provides long-term organizational stability and aligns our interests with those of our clients

#### Focused

- We focus exclusively on what we do best - Small and Mid Cap Growth Equity investing

#### Stability

- Two of the firm's four managing partners are co-founders
- Small Cap Co-PMs have worked together since 2008; SMid Cap Co-PMs have worked together since 2015
- Steady growth of assets over time with a diversified client base

#### Experienced

- Deep, experienced team that has long history of managing assets in the Small and Mid Cap Growth space
- Five investment professionals averaging 23 years of industry experience; 5 MBAs and 4 CFA Charterholders

#### Dedicated

- Partner with clients that share our long-term investment approach
- Client service is customized to each client's requirements
- Strict capacity limits on strategy assets; focus on performance and client service

## Focused Small/Mid Cap Growth Specialists

### One Team...One Investment Approach

Portfolio Guidelines	Small Cap Growth	SMid Cap Growth
Capitalization Range <i>at initial purchase</i>	Within the range of rolling 3-year avg of index	Within the range of rolling 3-year avg of index
Number of Holdings	45 - 50	40 - 60
Primary Benchmark	Russell 2000 Growth	Russell 2500 Growth
Strategy Inception Date	12/31/1998	1/21/2014
Investment Vehicles	Separate Account, Mutual Fund, CIF	Separate Account, Mutual Fund
Total Strategy Assets (12/31/19)	\$4,547.0 Million	\$240.0 Million
Availability	Limited	Open - \$2 Billion Plus Capacity
Characteristics (as of 12/31/19)*	Conestoga Small Cap Fund	Conestoga SMid Cap Fund
Market Capitalization	\$3,231.5 Million	\$6,540.5 Million
P/E (1 Yr. Fwd)	31.7x	33.8x
Long-Term Growth Rate	16.3%	13.8%
Return on Equity (ROE) - 5 Yr Avg	12.1%	14.7%
Debt-to-Capitalization	20.5%	25.0%
Turnover (TTM)	19.0%	18.3%
Holdings Overlap	32 Stocks Held in Both Portfolios	

This table was provided as an illustrative example of Conestoga's portfolios. Guidelines and compositions may change over time and is based on information as of 12/31/19.

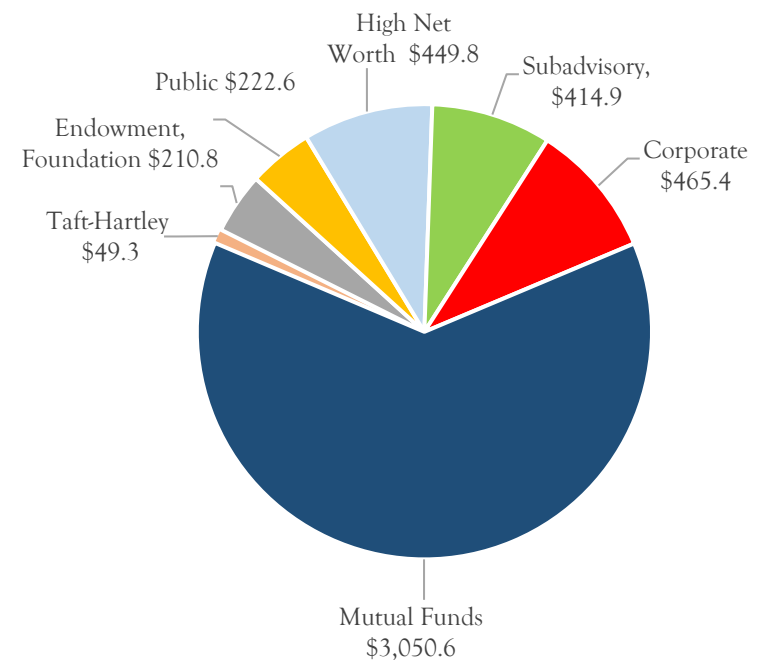
\*Source: FactSet Research Systems

## Diversified Client Base

Total Firm Assets Under Management: \$4,863.4 Million (as of December 31, 2019)

	AUM (\$M)	% of Firm Assets
<b>Separate Accounts:</b>	<b>\$1,812.8</b>	<b>37%</b>
<ul style="list-style-type: none"> <li>■ <b>Corporate:</b> <ul style="list-style-type: none"> <li>Hanesbrands Inc.</li> <li>Norfolk Southern Corp.</li> </ul> </li> <li>■ <b>Public:</b> <ul style="list-style-type: none"> <li>Parochial Employees Retirement Sys (LA)</li> <li>Louisiana School Employees Retirement Sys</li> <li>City of Memphis Retirement System</li> </ul> </li> <li>■ <b>Endowment, Foundation &amp; Religious:</b> <ul style="list-style-type: none"> <li>Ewing Marion Kauffman Foundation</li> <li>Baptist Health Foundation of San Antonio</li> <li>Xavier University of Louisiana</li> </ul> </li> <li>■ <b>Sub-advisory:</b> <ul style="list-style-type: none"> <li>Columbia Threadneedle</li> </ul> </li> <li>■ <b>Taft-Hartley:</b></li> <li>■ <b>High Net Worth Families &amp; Individuals:</b></li> </ul>		
<b>Mutual Funds, CIF &amp; LP:</b>	<b>\$3,050.6</b>	<b>63%</b>

- **Conestoga Mutual Funds and CIF:**
  - Conestoga Small Cap Fund
  - Conestoga SMid Cap Fund
  - Conestoga Small Cap Collective Investment Fund
  - Conestoga Micro Cap Fund, LP



Note: It is not known whether the listed clients approve or disapprove of Conestoga Capital Advisors or the advisory services provided. The representative clients noted above maintain similar investment objectives as those expressed by Conestoga Capital Advisors' prospective clients.

## Our People

Experienced team with long history of managing assets in the small/mid cap growth space

Investment Team				Client Services & Operations			
<p><u>Joseph Monahan, CFA</u> Managing Partner</p> <p>Co-Portfolio Manager Research Analyst</p> <p>Small Cap Growth Co-Portfolio Managers</p> <p>Joined 2008 38 Yrs. Experience</p>	<p><u>Robert Mitchell</u> Managing Partner</p> <p>Co-Portfolio Manager Research Analyst</p> <p>SMid Cap Growth Co-Portfolio Managers</p> <p>Co-Founder, 2001 25 Yrs. Experience</p>	<p><u>Derek Johnston, CFA</u> Partner</p> <p>Co-Portfolio Manager Research Analyst</p> <p>Joined 2015 24 Yrs. Experience</p>	<p><u>Duane D'Orazio</u> Managing Partner</p> <p>Chief Compliance Officer</p> <p>Co-Founder, 2001 25 Yrs. Experience</p>	<p><u>Mark Clewett, CFA</u> Managing Partner</p> <p>President</p> <p>Joined 2006 30 Yrs. Experience</p>			
<p><u>David Neiderer, CFA, CPA</u> Partner</p> <p>Research Analyst</p> <p>Joined 2013 9 Yrs. Experience</p>	<p><u>Larry Carlin, CFA</u> Partner</p> <p>Research Analyst</p> <p>Joined 2015 21 Yrs. Experience</p>	<p><u>John Schipper</u> Partner</p> <p>Junior Research Analyst/ Trader</p> <p>Joined 2013 7 Yrs. Experience</p>	<p><u>Christina Kowalski</u></p> <p>Head Trader &amp; Operations Analyst</p> <p>Joined 2019 20 Yrs. Experience</p>	<p><u>Alida Bakker-Castorano</u> Partner</p> <p>Operations Manager, Performance Analyst</p> <p>Joined 2011 41 Yrs. Experience</p>	<p><u>Michelle Czerpak</u> Partner</p> <p>Operations Manager, Client Service Coordinator</p> <p>Joined 2001 21 Yrs. Experience</p>	<p><u>Nancy Romito</u></p> <p>Client Service Officer</p> <p>Joined 2017 28 Yrs. Experience</p>	<p><u>Jeffrey Riggs, CAIA, CIMA</u> Partner</p> <p>Institutional Sales &amp; Client Service Officer</p> <p>Joined 2016 23 Yrs. Experience</p>



### Conestoga's Philosophy

*We believe that investors can earn a premium return in small to mid capitalization growth equities by identifying higher quality companies that are capable of growing through multiple business cycles. We seek to take advantage of the inefficient discovery process for small and mid-sized companies and other investors' focus on near-term earnings.*

### Key Tenets of Our Style

#### High Quality Conservative Growth

- We seek to invest in companies with sustainable earnings growth, strong balance sheets and significant management ownership

#### Patient, Long-Term Approach

- We have a long-term investment horizon which has historically resulted in a low portfolio turnover rate of approximately 20-30%

#### High Conviction

- We build client portfolios consisting of 40-60 higher-quality small/mid cap growth companies diversified across economic sectors

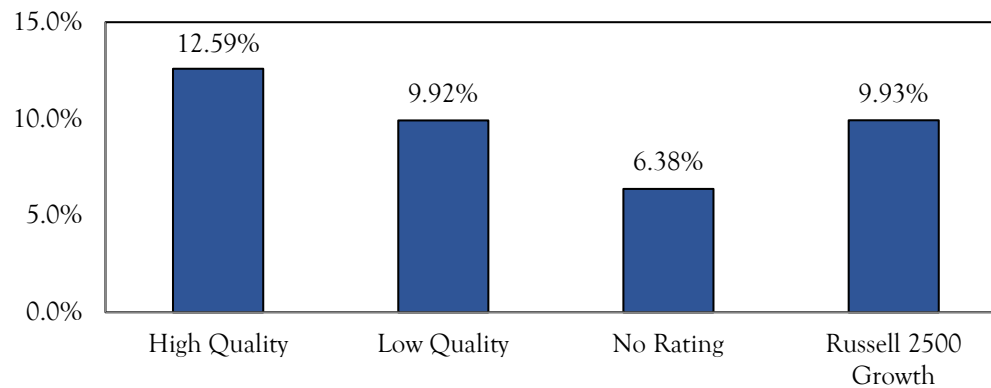
#### Consistent Returns with Low Volatility and Downside Protection

- We seek to provide attractive risk and reward characteristics relative to the Russell 2500 Growth Index

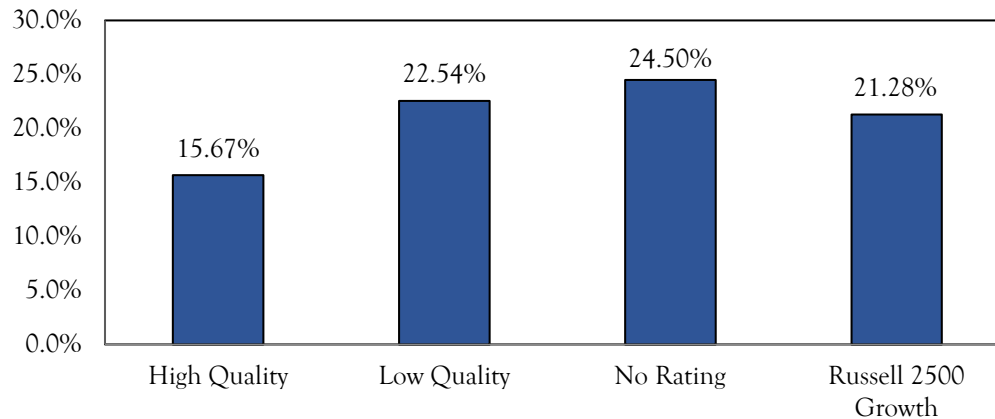
## High Quality Conservative Growth Outperforms Over Time

Companies with higher quality characteristics have historically outperformed

Annualized Returns - 1986 through 2019



Standard Deviation - 1986 through 2019



### Examples of High Quality Characteristics

#### Earnings Growth

- Stable and Sustainable Earnings

#### Profitability

- Return-on-Equity (ROE)
- Return-on-Invested Capital (ROIC)
- Operating Margins

#### Balance Sheet Quality

- Debt-to-Capital
- Debt-to-Equity

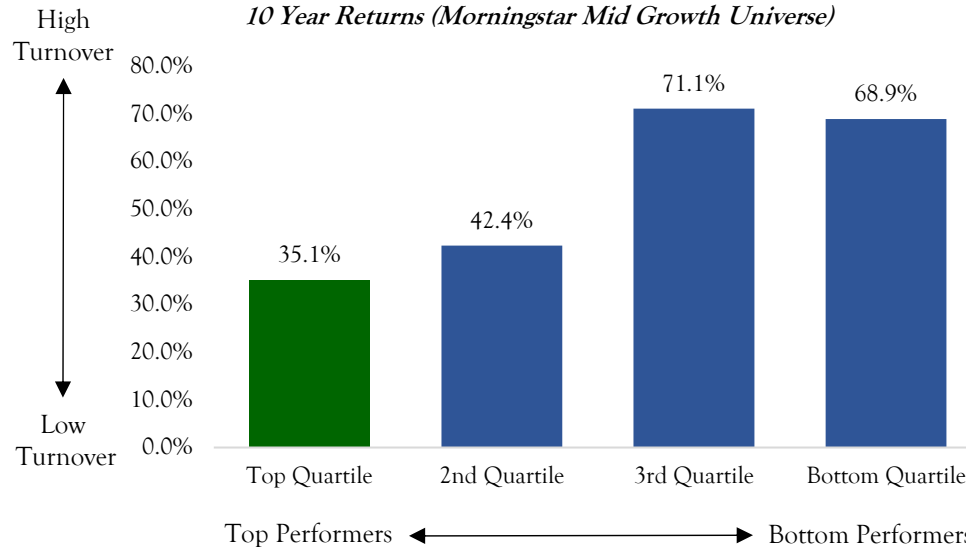
Source: Standard's & Poor's. All stocks within the Russell 2500 Growth. High Quality represents stocks rated B+ or higher. Low Quality represents stocks rated B and below. No Rating represents stocks with no S&P Rating. Portfolios are equal-weighted. Past performance does not guarantee future results.

## Patient, Long-Term Approach

### We're investors, not traders

- Average annual turnover is 20-30% with the average holding period for each stock being greater than 3 years
- High turnover can negatively impact returns through unnecessary trading costs and taxes
- Volatile markets can cause active traders to get whipsawed

**Portfolio Turnover and its Effect on Performance**  
*Average Turnover by Performance Quartiles*  
*10 Year Returns (Morningstar Mid Growth Universe)*



**Conestoga has Lower Turnover than Peers**  
*Conestoga vs. Average Mid Cap Growth Manager\**  
*Calendar Year Turnover*

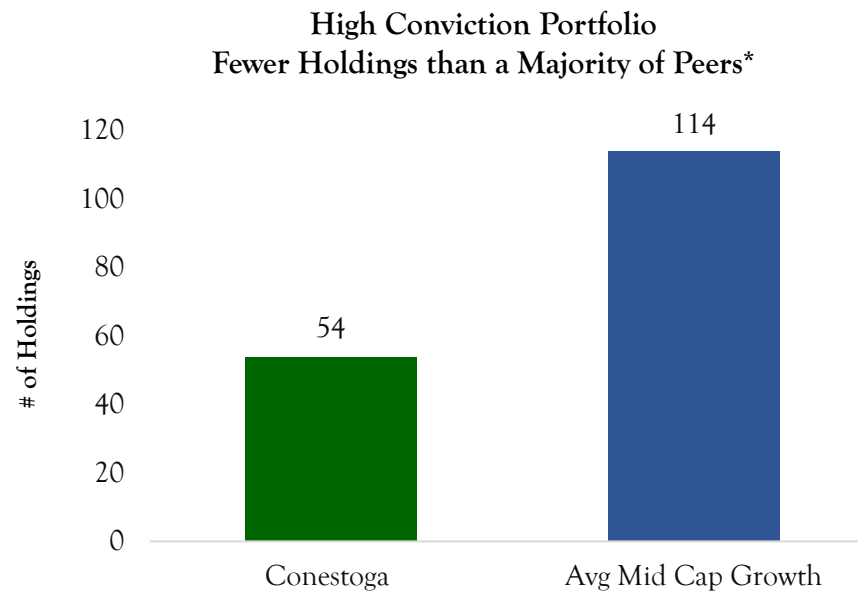
Year	CCSMX	Avg Mid Cap Growth*
2019	18%	57%
2018	33%	74%
2017	17%	63%
2016	24%	65%
2015	13%	62%
2014	10%	58%
<b>Avg.</b>	<b>19%</b>	<b>63%</b>

\*Source: Morningstar (Mid Cap Growth Universe), Conestoga  
Performance and turnover data as of 12/31/19

## High Conviction

### High Conviction Portfolio

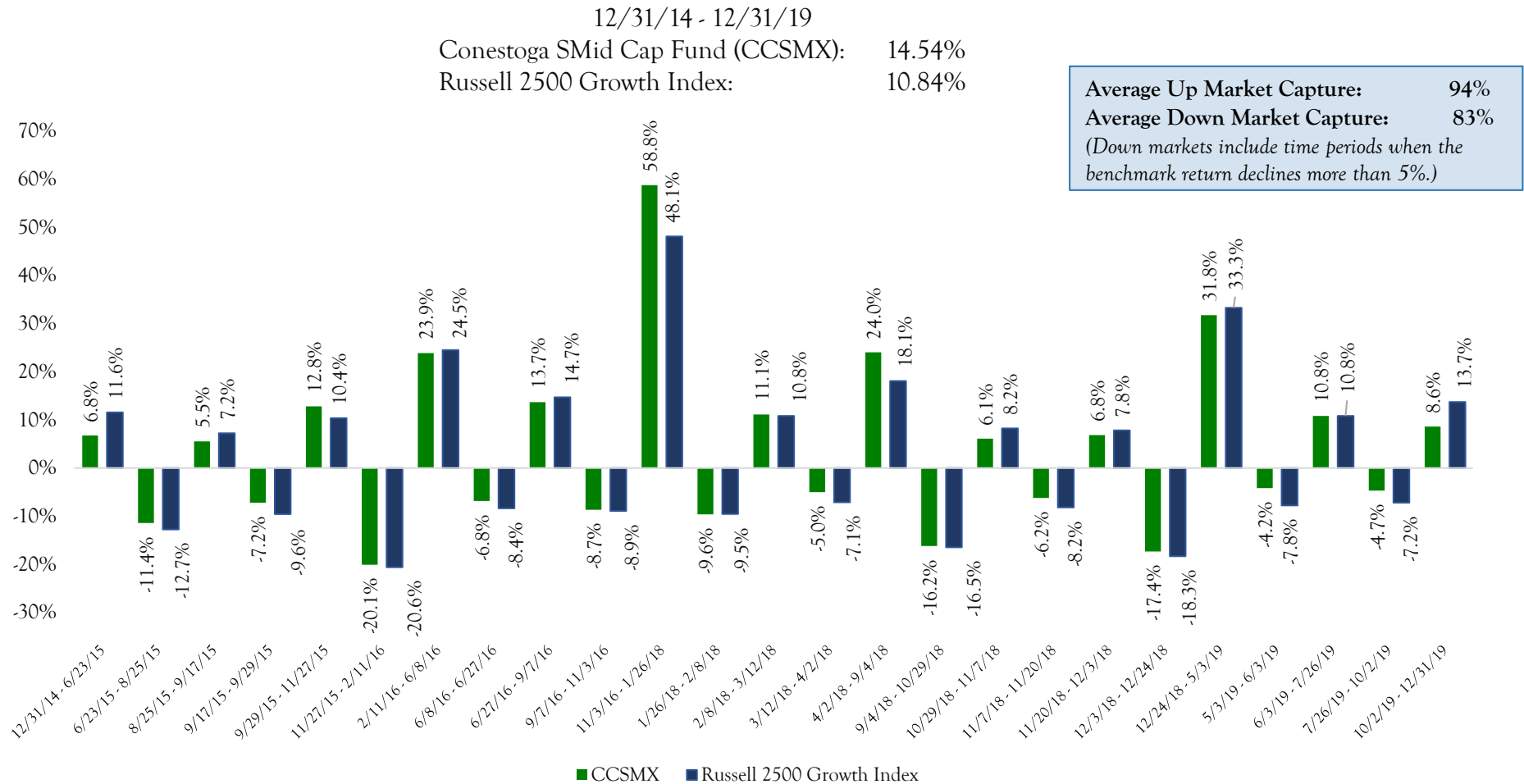
- 40 – 60 stock portfolio provides balance between alpha generation and diversification
- Top ten holdings typically comprise 30-35% of the portfolio
- Fewer companies than the average small/mid cap growth portfolio



\*Source: Morningstar (Mid Cap Growth Universe), eVestment Analytics  
Holdings data as of 12/31/19

## Majority of Recent Outperformance Generated in Down Markets

Conestoga SMid Cap Fund vs. Russell 2500 Growth Index Total Returns – Trailing Five Years (12/31/14 to 12/31/19)



Past performance does not guarantee future results. Mutual Fund Investing involves risk, principal loss is possible. Source: FactSet Research Systems, Conestoga.  
 Distributed by Ultimus Fund Distributors, LLC.

### Overview

#### STAGES

##### Idea Generation

#### KEY POINTS

Generalist approach by experienced portfolio managers/analysts. Internally sourced ideas complemented by select external sources

##### Research

Focused effort to develop a comprehensive understanding of the business, the financial characteristics, capital structure and management

##### Buy Decision

Companies will meet our criteria and, according to our analysis, must have the potential to appreciate at least 100% over a four- to six-year period

##### Portfolio Construction

Client portfolios will be fully invested and diversified across industries

##### Sell Discipline

Allow successful companies to grow while controlling portfolio risk. Remove companies that fail to meet our expectations

### Idea Generation

#### Multiple Sources for Investment Ideas

- Typically 6 to 12 new companies for investment per year
- Market capitalizations within the range of a rolling 3-year average of Russell 2500 Growth Index
- Ideas are sourced from three primary channels:
  - Quantitative screens
  - Industry conferences and trade shows
  - Network with industry and regional research contacts

### Research

#### Proprietary, fundamental research by experienced investment team

- Thorough review of financial statements to understand the economic drivers of the company
- Conference calls and/or in-person interviews with management, competitors, suppliers and/or customers
- Development of a valuation estimate based on the most appropriate parameters for each company, typically Discounted Cash Flow or Price-to-Earnings

## Buy Discipline

Investment criteria which leads to our high-quality conservative growth style

Companies will typically exhibit some/all of the following criteria:

1. **Sustainable Earnings Growth**

- Demonstrate the ability to generate annual earnings growth of at least 12% to 15% over the next three-year period

2. **Consistent Profitability and Earnings Stability**

- Hold strong market position with ability to translate that into a return on equity of 15% or greater

3. **Strong Balance Sheets**

- Employ conservative accounting policies with debt to total capitalization of less than 40%

4. **High Level of Management Ownership**

- Management teams whose interests are aligned with shareholders; look for meaningful management ownership

\*We seek to identify companies that have the ability to generate a total return of at least 100% over the next four to six years



## Portfolio Construction

### **Benchmark does not drive portfolio construction**

- Total holdings of 40 – 60 stocks that represent the companies in which we have historically had the highest research conviction
- Position weights of 1% to 4% based on confidence
- Sector weightings targeted to the lesser of 2X the benchmark or 30%
- No more than 20% of the Fund will have a market capitalization outside the range of a rolling 3-year average of Russell 2500 Growth Index

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## Sell Discipline

Stocks are sold or re-balanced from the portfolio for fundamental/strategic, tactical or risk control concerns

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### Strategic/Fundamental

- Stock becomes overvalued based on our research or reaches a weighting of 2X its initial target,
- The fundamentals deteriorate or there is a change in corporate strategy which violates our investment thesis, or
- Our research uncovers a better opportunity

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### Tactical

- Holdings are typically reduced when the company's market capitalization reaches \$15 billion or when a position size reaches 6%

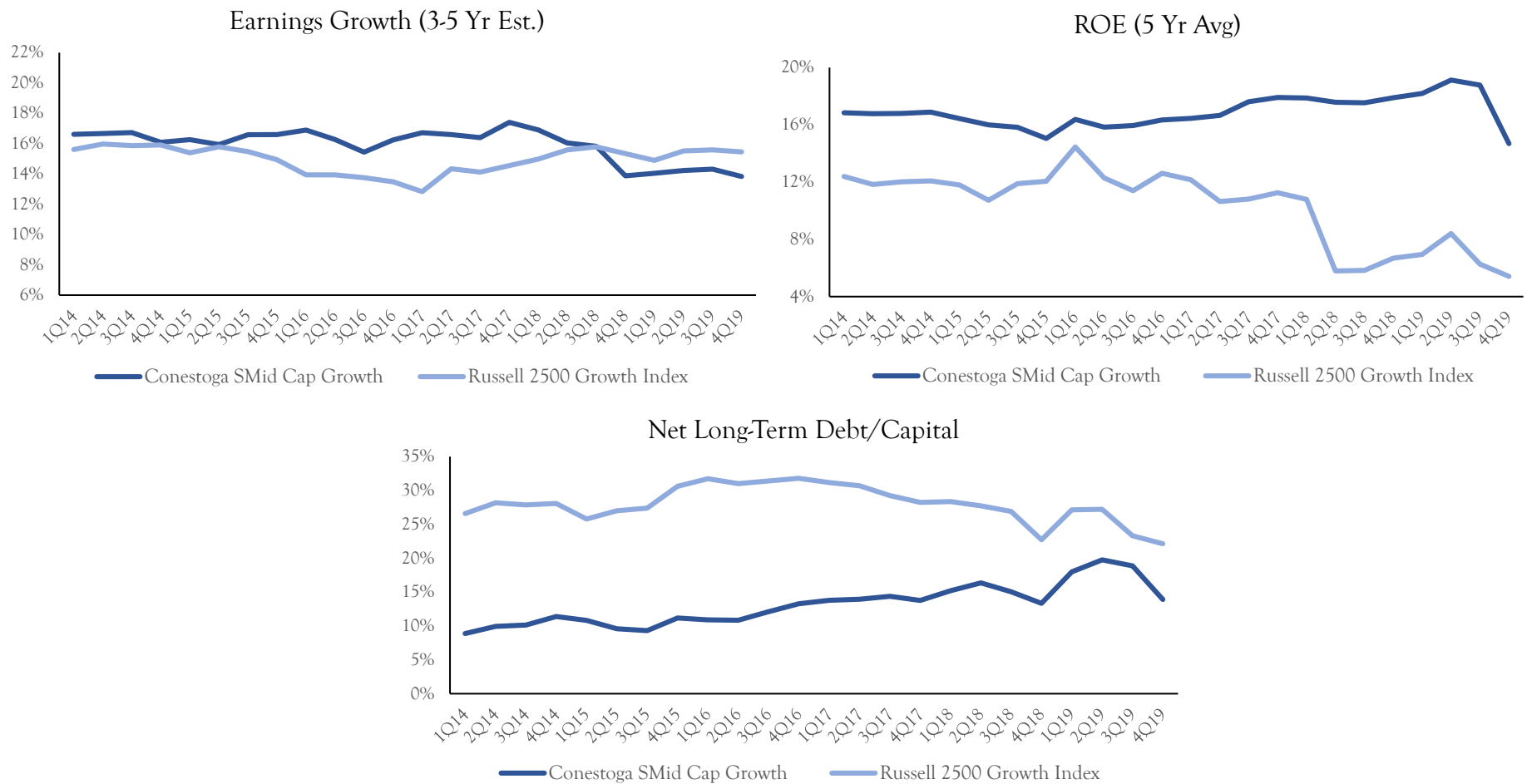
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### Risk Control

- Companies are re-evaluated when they underperform the benchmark by 25% on a 3-month or 12-month basis
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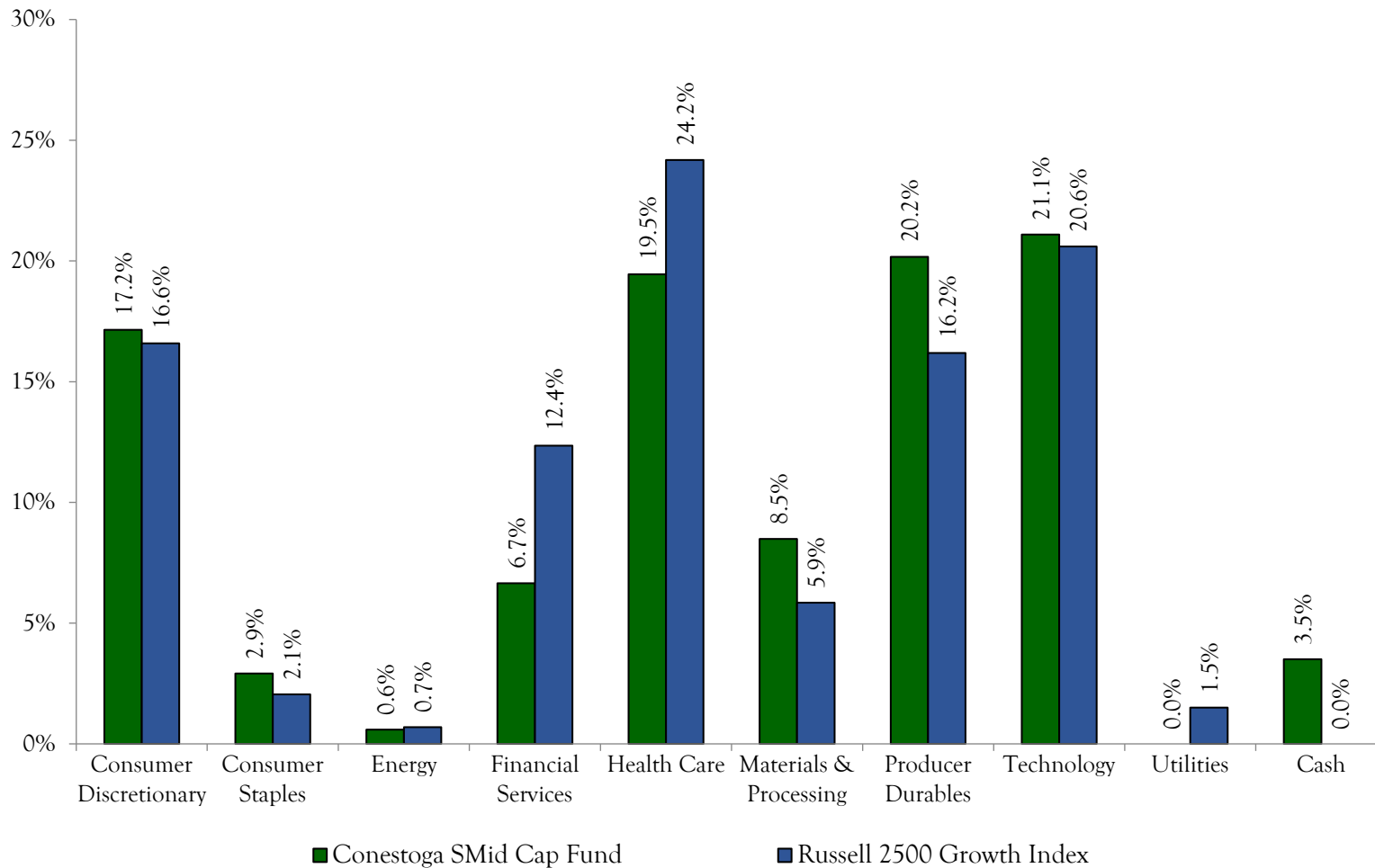
## Consistently Applied Investment Discipline

Typically higher earnings growth, higher profitability and lower debt than the benchmark



\*Source: FactSet. Past performance does not guarantee future results.

## Sector Weightings vs. Russell Indices (as of December 31, 2019)



Source: FactSet Research Systems, Conestoga Capital Advisors

## Statistics vs. Russell Indices (as of December 31, 2019)

### FUNDAMENTAL CHARACTERISTICS

Portfolio Characteristics*	Conestoga SMid Cap Fund	Russell 2500 Growth
Price/Earnings (1 Yr. Fwd. excl. Neg.)	30.7x	20.4x
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%
Dividend Yield	0.53%	0.65%
Turnover Rate	18.3%	N/A

\*Source: FactSet Research Systems, Russell Investment Group

### TOP TEN HOLDINGS

Top Ten Holdings***	Yrs in Portfolio	% Weight
Bright Horizons Family Sol, Inc.	>4	3.07%
Omnicell, Inc.	>5	2.99%
Pool Corp.	>3	2.83%
Douglas Dynamics, Inc.	>1	2.52%
Henry Jack & Associates, Inc.	>2	2.49%
HEICO Corp.	>5	2.45%
Axon Enterprise, Inc.	<1	2.43%
Fair Isaac Corp.	>1	2.42%
Tyler Technologies, Inc.	>5	2.41%
Repligen Corp.	>4	<u>2.41%</u>
<b>Total Weight within Portfolio</b>		<b>26.02%</b>

### RISK/RETURN CHARACTERISTICS VS. RUSSELL 2500 GROWTH

Portfolio Characteristics**	Trailing 3-Years	Trailing 5-Years
Alpha	6.6%	4.2%
Beta	0.90	0.91
Sharpe Ratio	1.24	0.90
Information Ratio	1.23	0.69
Upside Capture	111.2%	103.0%
Downside Capture	84.6%	84.3%

\*\*Source: Portfolio characteristics are based on monthly returns. Source: eVestment Analytics, Morningstar

\*\*\*Note that these holdings have been provided for illustrative purposes only and are subject to change at any time.

### % OF PORTFOLIO BY VINTAGE YEAR

Yr Purchased	# of Cos.	% Weight
2019	11	17.1%
2018	7	13.0%
2017	8	15.6%
2016	6	13.5%
2015	5	11.5%
2014	17	29.3%

### Market Environment Performance

#### **More Favorable Market Environment for the Strategy:**

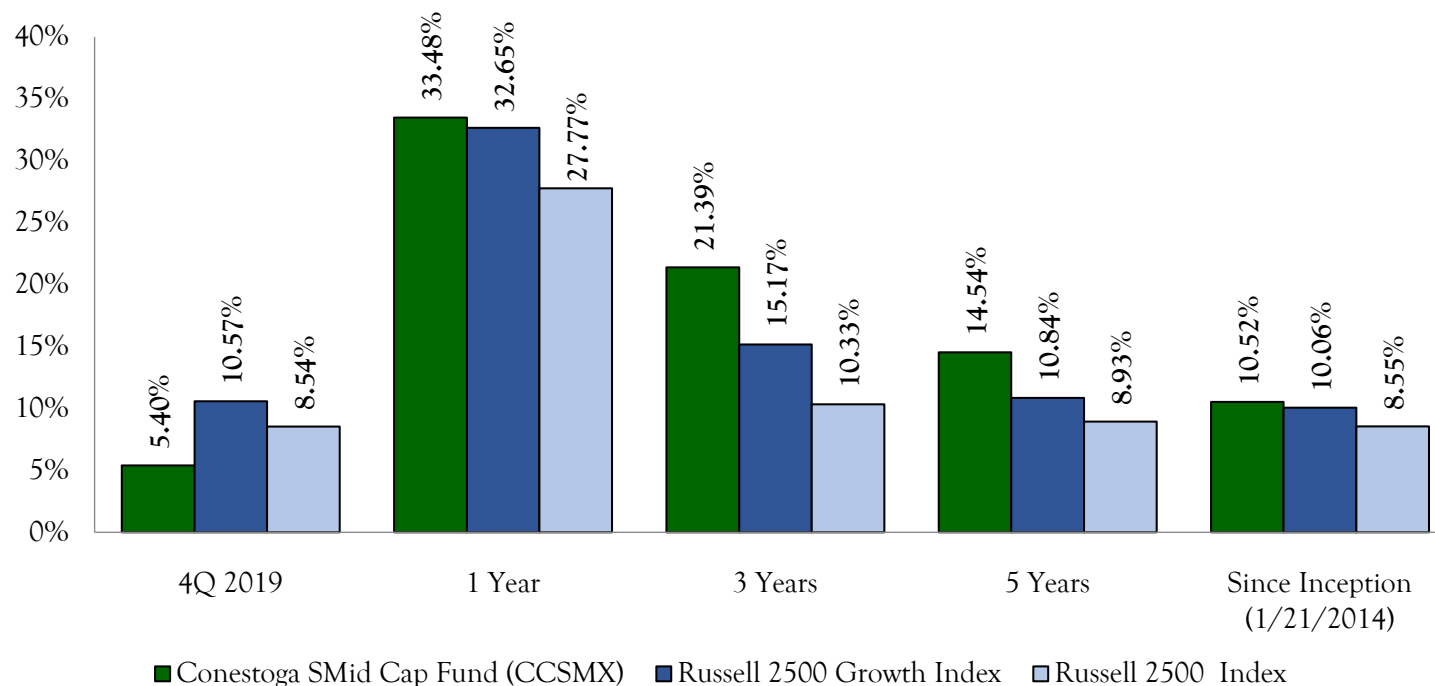
- Environment characterized by normal or slowing economic growth
- Quality outperforms
- Market volatility increases

#### **Less Favorable Market Environment for the Strategy:**

- Initial stages of an economic recovery
- Quality underperforms
- Market volatility decreases

## Annualized Returns (CCSMX) vs. Russell Indices\* (Net of Fees as of December 31, 2019)

\*Performance is presented as supplemental information; please see page 30 for Disclosures

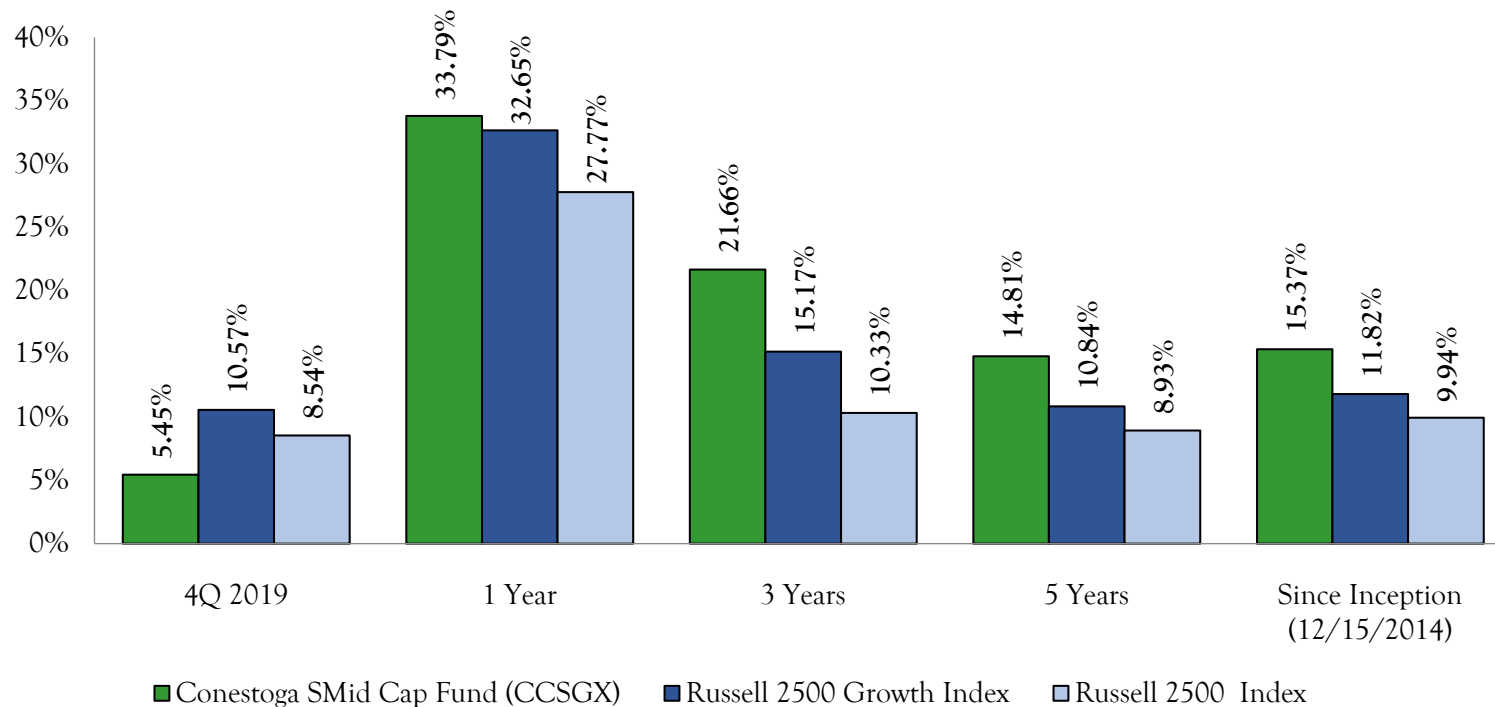


\*All periods greater than one year are annualized.. Performance is based upon closing NAV calculation on listed dates and represents past performance. *Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Performance data includes reinvestment of dividends. Investment returns and principal value of an investment in Conestoga SMid Cap Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For the Fund's daily NAV, list of additional holdings, total return as of the most recent month-end and a copy of the Fund's prospectus, please visit [www.conestogacapital.com](http://www.conestogacapital.com) or call 1-800-494-2755.*

Gross Expense ratio: 2.15%; Net Expense ratio: 1.10%. These are expenses that you pay each year as a percentage of the value of your investments. Conestoga Capital Advisors, LLC (the Adviser) has contractually agreed to limit the Fund's net annual operating expenses to 1.10% of the Fund's average daily net assets until at least January 31, 2020, subject to termination at anytime 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.

## Annualized Returns (CCSGX) vs. Russell Indices\* (Net of Fees as of December 31, 2019)

\*Performance is presented as supplemental information; please see page 30 for Disclosures



\*All periods greater than one year are annualized. Performance is based upon closing NAV calculation on listed dates and represents past performance. **Past performance does not guarantee future results and current performance may be lower or higher than the performance quoted. Performance data includes reinvestment of dividends. Investment returns and principal value of an investment in Conestoga SMid Cap Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For the Fund's daily NAV, list of additional holdings, total return as of the most recent month-end and a copy of the Fund's prospectus, please visit [www.conestogacapital.com](http://www.conestogacapital.com) or call 1-800-494-2755.**

Gross Expense ratio: 1.62%; Net Expense ratio: 0.85%. These are expenses that you pay each year as a percentage of the value of your investments. Conestoga Capital Advisors, LLC (the Adviser) has contractually agreed to limit the Fund's net annual operating expenses to 0.85% of the Fund's average daily net assets until at least January 31, 2020, subject to termination at anytime 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.



## Attribution Review (9/30/19 through 12/31/19)

### Relative to the Russell 2500 Growth Index

\*Performance is presented as supplemental information; please see page 30 for Disclosures

Russell Sectors	Conestoga SMid Cap Fund		Russell 2500 Growth Index		Net Management Effects		
	Average Weight	Total Return	Average Weight	Total Return	Sector Allocation	Stock Selection	Total Effect
Health Care	19.37	6.94	22.95	20.43	-0.34	-2.41	-2.75
Producer Durables	22.88	5.41	16.84	8.00	-0.14	-0.61	-0.75
Cash	4.45	0.40	~	~	-0.48	~	-0.48
Materials & Processing	8.82	3.41	6.01	5.97	-0.12	-0.23	-0.36
Consumer Staples	2.55	-4.37	2.05	6.16	-0.01	-0.27	-0.29
Consumer Discretionary	14.59	7.82	16.53	9.34	0.01	-0.23	-0.22
Technology	20.48	7.97	20.57	8.83	0.01	-0.21	-0.20
Energy	0.75	-18.14	0.67	4.13	-0.02	-0.16	-0.18
Utilities	~	~	1.77	0.74	0.16	~	0.16
Financial Services	6.10	5.47	12.63	6.17	0.28	-0.04	0.23
<b>Total</b>	<b>100.00</b>	<b>5.74</b>	<b>100.00</b>	<b>10.56</b>	<b>-0.66</b>	<b>-4.17</b>	<b>-4.82</b>

Source: FactSet Research Systems, Conestoga Capital Advisors.

Actual QTD Net Return for the Conestoga SMid Cap Fund (CCSMX) as of December 31, 2019 was 5.40% vs. the Russell 2500 Growth Index at 10.57%. Past performance does not guarantee future results.

## Attribution Review (12/31/18 through 12/31/19)

### Relative to the Russell 2500 Growth Index

\*Performance is presented as supplemental information; please see page 30 for Disclosures

Russell Sectors	Conestoga SMid Cap Fund		Russell 2500 Growth Index		Net Management Effects		
	Average Weight	Total Return	Average Weight	Total Return	Sector Allocation	Stock Selection	Total Effect
Producer Durables	24.90	40.05	16.16	32.89	-0.00	1.75	1.75
Financial Services	5.53	49.58	12.26	31.44	0.16	0.84	1.01
Technology	21.23	41.99	21.42	37.55	0.22	0.53	0.76
Materials & Processing	7.66	38.74	6.47	31.10	0.05	0.51	0.56
Consumer Discretionary	13.04	31.01	17.15	28.09	0.28	-0.10	0.18
Utilities	~	~	1.51	25.94	0.17	~	0.17
Energy	0.66	-34.29	0.89	1.71	0.14	-0.23	-0.09
Consumer Staples	2.80	3.82	1.94	13.24	-0.10	-0.12	-0.22
Health Care	19.82	32.56	22.19	35.69	-0.09	-0.61	-0.70
Cash	4.36	2.09	~	~	-1.03	~	-1.03
<b>Total</b>	<b>100.00</b>	<b>35.04</b>	<b>100.00</b>	<b>32.65</b>	<b>-0.20</b>	<b>2.59</b>	<b>2.38</b>

Source: FactSet Research Systems, Conestoga Capital Advisors.

Actual Trailing One Year Net Return for the Conestoga SMid Cap Fund (CCSMX) as of December 31, 2019 was 33.48% vs. the Russell 2500 Growth Index at 32.65%.

Past performance does not guarantee future results.

## Leaders and Laggards (9/30/19 through 12/31/19)

### Top 5 Fund Leaders

1. Axon Enterprise, Inc. (AAXN)
2. Douglas Dynamics, Inc. (PLOW)
3. SiteOne Landscape Supply, Inc. (SITE)
4. Fair Isaac Corp. (FICO)
5. Repligen Corp. (RGEN)

### Bottom 5 Fund Laggards

1. Mercury Systems, Inc. (MRCY)
2. Albany International Corp. (AIN)
3. HEICO Corp. (HEI.A)
4. Blackbaud, Inc. (BLKB)
5. Cantel Medical Corp. (CMD)

The Top Ten Holdings in the Conestoga SMid Cap Fund as of December 31, 2019 are as follows: 1. Bright Horizons Family Solutions, Inc. (3.07%); 2. Omnicell, Inc. (2.99%); 3. Pool Corporation (2.83%); 4. Douglas Dynamics, Inc. (2.52%); 5. Henry Jack & Associates, Inc. (2.49%); 6. HEICO Corporation - Class A (2.45%); 7. Axon Enterprise, Inc. (2.43%); 8. Fair Isaac Corp. (2.42%); 9. Tyler Technologies, Inc. (2.41%); 10. Repligen Corp. (2.41%). The presentation includes the five most positive contributors to performance of Conestoga Capital Advisors SMid Cap Growth Fund during the past quarter (September 30, 2019 through December 31, 2019), along with the five most negative detractors from the fund during the past quarter (September 30, 2019 through December 31, 2019). The performance analysis considers the weighting of every holding in the fund over the past quarter (September 30, 2019 through December 31, 2019) in order to determine the most prominent contributors/detractors, and the overall presentation methodology has remained consistent over the past quarters. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients during the past quarter (September 30, 2019 through December 31, 2019). For a complete list showing each holding's contribution to the fund's performance during the quarter (September 30, 2019 through December 31, 2019), please contact Mark Clewett, President at 484-654-1380. Past performance does not guarantee future results.

## Leaders and Laggards (12/31/18 through 12/31/19)

### Top 5 Fund Leaders

1. Copart, Inc. (CPRT)
2. Fair Isaac Corp. (FICO)
3. CoStar Group, Inc. (CSGP)
4. HEICO Corp. - Class A (HEIA)
5. Repligen Corp. (RGEN)

### Bottom 5 Fund Laggards

1. Merit Medical Systems, Inc. (MMSI)
2. Stamps.com, Inc. (STMP)
3. Ligand Pharmaceuticals Incorporated (LGND)
4. Healthcare Services Group, Inc. (HCSG)
5. Core Laboratories, N.V. (CLB)

The Top Ten Holdings in the Conestoga SMid Cap Fund as of December 31, 2019 are as follows: 1. Bright Horizons Family Solutions, Inc. (3.07%); 2. Omnicell, Inc. (2.99%); 3. Pool Corporation (2.83%); 4. Douglas Dynamics, Inc. (2.52%); 5. Henry Jack & Associates, Inc. (2.49%); 6. HEICO Corporation - Class A (2.45%); 7. Axon Enterprise, Inc. (2.43%); 8. Fair Isaac Corp. (2.42%); 9. Tyler Technologies, Inc. (2.41%); 10. Repligen Corp. (2.41%). The presentation includes the five most positive contributors to performance of Conestoga Capital Advisors SMid Cap Growth Fund during the past year (December 31, 2018 through December 31, 2019), along with the five most negative detractors from the fund during the past year (December 31, 2018 through December 31, 2019). The performance analysis considers the weighting of every holding in the fund over the past year (December 31, 2018 through December 31, 2019) in order to determine the most prominent contributors/detractors, and the overall presentation methodology has remained consistent over the past quarters. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients during the past year (December 31, 2018 through December 31, 2019). For a complete list showing each holding's contribution to the fund's performance during the year (December 31, 2018 through December 31, 2019), please contact Mark Clewett, President at 484-654-1380. Past performance does not guarantee future results.

## Portfolio Activity (9/30/19 through 12/31/19)

### Buys

1. Altair Engineering, Inc. (ALTR)

### Sells

None

During the three months ended December 31, 2019, Conestoga added to 12 holdings (1 holding added twice) and trimmed 1 position.

*The Top Ten Holdings in the Conestoga SMid Cap Fund as of December 31, 2019 are as follows: 1. Bright Horizons Family Solutions, Inc. (3.07%); 2. Omnicell, Inc. (2.99%); 3. Pool Corporation (2.83%); 4. Douglas Dynamics, Inc. (2.52%); 5. Henry Jack & Associates, Inc. (2.49%); 6. HEICO Corporation - Class A (2.45%); 7. Axon Enterprise, Inc. (2.43%); 8. Fair Isaac Corp. (2.42%); 9. Tyler Technologies, Inc. (2.41%); 10. Repligen Corp. (2.41%).*

### Disclosures

The Conestoga SMid Cap Fund can be purchased fund direct or is available through mutual fund platforms. Please visit [www.conestogacapital.com](http://www.conestogacapital.com) or contact Conestoga Capital Advisors for additional instructions.

***An investor should consider investment objectives, risks, charges, and expenses carefully before investing. Download a prospectus, which contains this information or call toll free 1-800-494-2755. Read the prospectus carefully before investing or sending money. Past performance does not guarantee future results.***

Mutual Fund Investing involves risk, principal loss is possible. Investment in the Fund is subject to investment risks, including, without limitation, equity risk, market risk, management risk, small company risk, mid cap stock risk, foreign investment risk, currency risk, large redemption risk. Funds that invest in small and mid cap stocks are often more volatile than large cap stocks. Smaller companies generally face higher risks due to their limited product lines, markets and financial resources. For more information about the Fund, including the Fund's objectives, charges, expenses and risks (including more information about the risks listed above), please read the prospectus.

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 2500 includes the smallest 2500 securities in the Russell 3000.

An individual cannot invest directly in an index.

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. PEG Ratio represents the ratio of P/E over Earnings Growth rate, and is a widely used valuation metric. ROE-Five Year 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. Dividend Yield is an annual percentage measure of income (dividends and interest) earned by the fund's portfolio, net of the fund's expenses. SEC - 30 Day Yield is based on a 30-day period ending on the last day of the previous month. It is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. The Turnover is the lesser of the market value of purchases or sales of portfolio securities over the past twelve months, divided by the monthly average market value of the securities held during the past twelve months.

## Biographies



**Robert M. Mitchell:** *Co-Founder, Managing Partner, Portfolio Manager, Research Analyst*

Bob is a Co-Founder and Managing Partner of Conestoga Capital Advisors, and Co-Portfolio Manager for the Small and SMid Cap strategies. Bob serves as Chief Investment Officer of the firm, overseeing all aspects of the portfolio management and investment processes. He is a member of the firm's Board of Managers, which oversees the management and strategic direction of Conestoga. Prior to Conestoga, Bob was a Portfolio Manager/Analyst and Director of Equity Research at Martindale Andres & Company. Bob's portfolio management and research expertise was focused on small capitalization companies. Before his employment at Martindale Andres, Bob worked with the U.S. Department of Justice Antitrust Division where he analyzed the economic and financial aspects of various industries for evidence of antitrust violations. Bob received his M.B.A. from Indiana University's Kelley School of Business in 1995; in 1991, he received a B.A. from the University of Notre Dame.



**Joseph F. Monahan, CFA:** *Managing Partner, Portfolio Manager, Research Analyst*

Joe is a Managing Partner and Co-Portfolio Manager for the Small and Micro Cap strategies. He also serves as an analyst for the firm's SMid and Mid Cap equity strategies. Joe is Conestoga's Director of Research, where his responsibilities include coordinating the firm's fundamental research approach to selecting securities. He is a member of the firm's Board of Managers, which oversees the management and strategic direction of Conestoga. He joined Conestoga in December 2008 from McHugh Associates, where he was Senior Vice President/Portfolio Manager and a member of the firm's Investment Committee. Prior to joining McHugh in 2001, Joe was a Vice President and Portfolio Manager at Pitcairn Trust Company. He is a graduate of the Pennsylvania State University, where he earned a Bachelor of Science degree, and he earned a Masters of Business Administration from Temple University. He is a CFA Charterholder and a member of the CFA Society of Philadelphia.



**Derek S. Johnston, CFA:** *Partner, Portfolio Manager, Research Analyst*

Derek joined Conestoga Capital Advisors in May 2015 and became a Partner of the firm in 2018. He has served as Co-Portfolio Manager for the firm's SMid Cap Growth strategy since 2016 and also provides equity research across the Small- to Mid-Cap universe. Prior to joining Conestoga, Derek worked as a Co-Portfolio Manager for Small and SMid Cap portfolios at 300 North Capital, LLC, located in Pasadena, CA (2007-2015). He also served as an Equity Research Analyst for Small Cap equities at Engemann Asset Management for two years, and as an Equity Research Associate at Banc of America Securities for three years. Earlier in his career, Derek worked at Thomson Financial, Caspian Securities, Inc., and Smith Barney, all based out of New York. Derek received a Bachelor of Science in 1995 from Boston College, and an M.B.A. from University of Southern California's Marshall School of Business. He has been a CFA Institute Charterholder since 2003.

## Biographies



**Larry Carlin, CFA:** *Partner, Research Analyst*

Larry joined Conestoga Capital Advisors in May 2015, and is responsible for researching Small-to-Mid Capitalization companies. He became a Partner of the firm in 2018. Throughout his career, his focus has been primarily on Small- and Mid-Capitalization equity research. Prior to joining Conestoga, Larry worked with Columbia Partners in suburban Philadelphia, providing fundamental research for long-only portfolios and a hedge fund for six years. From 2004 to 2008, he served as an Equity Analyst at Redstone Investment Management. Earlier in his career, he spent six years as a Portfolio Manager/Equity Analyst at Kalmar Investments, Inc. He was also a Financial Analyst/Project Manager at Investment Counseling, Inc. Larry earned a Masters of Business Administration from Georgetown University, as well as a Masters of Arts in Economics from the University of Maryland, and a Bachelor of Science from Villanova University. He has been a CFA Institute Charterholder since 1997.



**David R. Neiderer, CFA, CPA:** *Partner, Portfolio Manager, Research Analyst*

David joined Conestoga Capital Advisors in July 2013 and became a Partner of the firm in 2018. He is a Co-Portfolio Manager for the firm's Micro Cap Growth strategy and is also responsible for providing equity research for both the Small and SMid Cap equity strategies. Prior to Conestoga, David had similar responsibilities as a Research Analyst at both Penn Capital and Chartwell Investment Partners. While at Penn, David worked across the capital structure, making recommendations for both the equity and high yield credit portfolios. Earlier in his career, David was an Assistant Vice President with Deutsche Bank, where he worked with the Distressed Products trading group, and an Audit Associate at Deloitte and Touche. David earned his Bachelor of Science degree in Economics and Accounting from the University of Richmond. He also earned a Master of Business Administration from The Wharton School at the University of Pennsylvania. He is a CFA Charterholder and a member of the CFA Society of Philadelphia. David is also a Certified Public Accountant.



**John E. Schipper:** *Partner, Junior Research Analyst/Trader*

John joined the firm in July 2013 and became a Partner of the firm in 2018. After serving five years as Conestoga's Head Trader, John has transitioned to Junior Research Analyst and Trader. John supports the research analysts in performing their due diligence on existing portfolio companies and new ideas for the small and smid cap portfolios. He also conducts portfolio analytics to support the portfolio managers. In his role as Trader, he works closely with the investment team to provide market feedback on the portfolio holdings and to communicate with sell-side firms and trading venues. John graduated from Haverford College with a B.A. in Economics, attended the London School of Economics and Political Science as part of his studies abroad, and was a four-year member of the College's lacrosse team. He currently holds the Series 65 License and is a 2020 Level III CFA Candidate.



## Biographies



**Christina A. Kowalski:** *Head Trader & Operations Analyst*

Christina joined Conestoga Capital Advisors in December 2019 as Head Trader & Operations Analyst. Prior to Conestoga, Christina was an Equity Research Analyst/Trader and Operations Manager for The Swarthmore Group for nine years. From 2001 to 2010, she served a variety of roles at StoneRidge Investment Partners with the most recent as Senior Equity Trader where she was responsible for all aspects of the trading area as well as assisted the Chief Equity Strategist with the equity modeling process. Christina received a B.S. degree in Finance from Saint Joseph's University. She is President of the Investment Traders Association of Philadelphia (ITAP) and the affiliate contact for the Philadelphia area for the Security Traders Association (STA) Women in Finance Committee. She also sits on the board for Philly Girls in Motion, a non-profit in the Philadelphia area.



**Mark S. Clewett, CFA:** *Managing Partner, President*

In his role as President, Mark leads the firm's client communications and servicing efforts, and oversees the firm's finances. He is a member of the firm's Board of Managers, which oversees the management and strategic direction of Conestoga. Mark joined Conestoga in 2006 as Director of Institutional Sales and Client Service, and became a Managing Partner in 2007. Prior to joining Conestoga, Mark was Senior Vice President - Consultant Relations for Delaware Investments (now Macquarie), overseeing institutional consultant relationships, as well as developing new business opportunities and servicing clients from 1997 through 2005. Prior to this, Mark was an Investment Analyst at SEI Investments. Mark received a Bachelor of Science degree from the Pennsylvania State University. He has been a CFA Institute Charterholder since 1997, and currently holds the Series 7, 24 and 63 Licenses.



**Duane R. D'Orazio:** *Co-Founder, Managing Partner, Chief Compliance Officer*

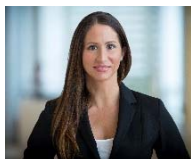
Duane serves as Conestoga's Chief Compliance Officer, and also oversees the company's systems, technology, and daily operations. He is a member of the firm's Board of Managers, which oversees the management and strategic direction of Conestoga. Duane was employed by Martindale Andres & Company prior to Conestoga, as equity and fixed income trader. At Martindale, his responsibilities included trading for the Governor Funds, a complex of 11 mutual funds. Duane also worked as a trader for Keystone Financial and M&T Bank, trading equity and fixed income securities there as well. In 1998, Duane was a market maker on the equity desk at Hopper Soliday, where he made markets in more than 100 Pennsylvania banks and insurance companies. He graduated cum laude with his Bachelor of Arts degree from Dickinson College in 1996, and currently holds the Series 66 License.



**Alida Bakker-Castorano:** *Partner, Operations Manager, Performance Analyst*

Alida joined Conestoga Capital Advisors in June 2011 and became a Partner of the firm in 2018. She is responsible for operations and performance analysis. In these roles, she contributes to the firm's portfolio accounting and reconciliation processes, working closely with the various custodians of each of our clients. Additionally, she supports the trading desk and proxy voting process. She joined Conestoga from Logan Capital Management, with prior experience at McHugh Associates, Donaldson Lufkin Jenrette, and Dean Witter Reynolds.

### Biographies



**Michelle L. Czerpak:** *Partner, Operations Manager, Client Service Coordinator*

Michelle joined Conestoga Capital Advisors when the company was founded in 2001 and became a Partner of the firm in 2018. Currently she holds the position of Operations Manager and Client Service Coordinator. In these roles, she contributes to the account reconciliation process, trade settlement, account receivables, client reporting and also supports the company's client service and marketing needs. Before coming aboard Conestoga, Michelle was employed by Martindale Andres & Company in 1999, where she worked in the administrative and operational departments. Michelle graduated from West Virginia University in 1998, with a Bachelor of Arts Degree. She currently holds a Series 63 License.



**Jeffrey A. Riggs, CAIA, CIMA:** *Partner, Institutional Sales & Client Service Officer*

Jeff joined Conestoga Capital Advisors in August 2016 as Institutional Sales & Client Service Officer and became a Partner in 2019. In this role, he is responsible for business development and client service. Prior to joining Conestoga, Jeff held research positions with Lincoln Financial Group and Nationwide Fund Advisors. At Nationwide, he was Director of Manager Research with responsibility for manager selection and oversight for the firm's U.S. and International Equity Funds. From 2006 to 2010 he was a Quantitative Analyst at Turner Investments providing research and analysis for the firm's investment strategies. Earlier in his career Jeff served as a Product Specialist for Brandywine Global Investment Management and a Marketing Associate at Delaware Investments. Jeff earned a B.A. in Finance from Western Michigan University and an M.B.A from La Salle University. He holds the Chartered Alternatives Investment Analyst (CAIA) and Certified Investment Management Analyst (CIMA) designations. He currently holds the Series 7, 63 and 65 Licenses.



**Nancy Romito:** *Client Service Officer*

Nancy joined Conestoga Capital Advisors in October 2017 as a Client Service Officer. In this role, she supports the firm's client service and business development efforts. Prior to joining Conestoga, Nancy was a Client Services Director, Marketing Compliance Officer and partner at Kalmar Investments for 19 years with responsibilities for client service and new business development while overseeing the preparation of requests for proposals, performance analytics, client reviews, and the firm's marketing materials. From 1996-1998, Nancy served as a liaison between the Sales and Client Services Teams at Wilmington Trust. She began her career in 1992 with the mutual fund servicing arm of PNC Bank, where she worked for 4 years as a member of the sales and marketing support team. Nancy received her MBA degree in Finance from Widener University and a BS degree from West Chester University.