



FIRM OVERVIEW

Riverwater Partners is an employee-owned, independent advisor based in Milwaukee, WI dedicated to small-cap responsible investing and a foundational belief that small companies can have a big impact – on portfolios and the world. We are proud to be a Certified B Corp.™

WHY RIVERWATER

INDEPENDENT AND ALIGNED

Small-cap focused, founder-led and employee-owned boutique investment firm. We proudly invest alongside our clients. As a Certified B- Corp, Riverwater is committed to using business as a force for good.

DESIGNED FOR ALPHA

Concentrated portfolios crafted by a team with a contrarian mindset to identify stocks with idiosyncratic drivers in pursuit of superior risk-adjusted returns. The team seeks to achieve alpha through security selection.

MINDFUL INVESTING: LEVERAGING THE POWER OF POSITIVE TRANSITION

Riverwater takes a mindful approach to responsible investing, seeking unique opportunities in companies committed to transitioning toward a better, more sustainable world. Our foundational belief is that employing a responsible investment lens enhances resilience, captures inefficiencies, and improves return potential.

RESEARCH TEAM

ADAM J. PECK, CFA

Founder & CIO, Co-PM
25 yrs experience, 8 yrs on team

NATHAN FREDRICK, CFA

Co-PM
9 yrs experience, 7 yrs on team

CINDY BOHLEN, CFA

Director of Responsible Investing
20 yrs experience, 7 yrs on team

KIRK FOX

Director of Research
22 yrs experience, 4 yrs on team

ELIZABETH GAUTHIER

Analyst
2 yrs experience, 2 yrs on team

OUR MISSION

To make the world a better place by growing wealth through responsible investing.

STRATEGY OVERVIEW

BENCHMARK	Russell 2000
NUMBER OF HOLDINGS	25-40
VEHICLE	SMA
MARKET CAP	Less than \$1.5 billion at initial purchase
INCEPTION DATE	7.31.18

STRATEGY RETURNS

	3 MO	YTD	1 YR	3 YR	5 YR	Since Incep. 7.31.22
Composite (gross)	6.69%	-3.55%	9.89%	6.52%	16.41%	9.25%
Composite (net)	6.43%	-4.03%	8.80%	5.46%	15.25%	8.17%
Russell 2000	8.50%	-1.79%	7.68%	10.00%	10.03%	5.32%
iShares Microcap ETF	15.39%	-1.25%	13.12%	8.30%	9.01%	4.61%

*net returns reflect retail fee of 1% | see pg. 2 of this Factsheet for full GIPS Report

CONTRIBUTORS / DETRACTORS

Contributors

1. Centrus Energy Corp (LEU)	175 bps
2. Npk International Inc (NPKI)	157 bps
3. Red Violet Inc (RDVT)	98 bps

Detractors

1. Aris Water Solutions Inc (ARIS)	-150 bps
2. Limoneira Co (LMNR)	-77 bps
3. National Cinemedia Inc New (NCMI)	-69 bps

TOP 5 HOLDINGS

5.8%	Coastal Financial Corporation
5.6%	First Business Financial Services, Inc.
5.5%	Iradimed Corp.
4.5%	Limoneira Company
4.5%	Delcath Systems, Inc.
25.9%	of total net assets

STRATEGY INFORMATION

STRATEGY STATISTICS

	Micro Opportunities Strategy	R2000 Index
Price to Earnings	19.2x	17.6x
AWMC (\$M)	\$0.8B	\$3.4B
Dividend Yield	1.1%	1.4%
Return on Equity	8.4%	4.0%
LT Debt to Capital	21.9%	36.4%
Number of Holdings	29	1989
Beta*	0.88	1.00

*Since Inception

SECTOR WEIGHTINGS

	Ending Weight	R2000 Index
Consumer Disc.	5.42	10.08
Consumer Staples	12.40	2.17
Energy	4.19	3.80
Financials	21.52	18.37
Health Care	14.58	15.72
Industrials	15.51	17.82
Info Tech	3.59	16.15
Materials	4.73	3.92
Real Estate	2.49	6.35
Comm Services	5.11	2.17
Utilities	7.03	3.34

The securities identified and described do not represent all the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. The Composite performance is presented gross and net of fees and includes the reinvestment of income. Past performance is not indicative of future results. Portfolio holdings are subject to change and may have changed since the date specified.

Riverwater Partners Micro Opportunities Strategy 07/31/2018 to 12/31/2024

Year	Composite Gross Return %	Composite Net Return (%)	Benchmark Return (%)	Ending Portfolios	Composite Assets (\$)	Firm Assets (\$)	Internal Dispersion (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)
2018 ¹	-19.466	-19.799	-18.768	<=5	250,667.20	31,452,911.10	n/a		
2019	14.475	13.342	25.53	<=5	307,040.07	625,880,780.28	n/a		
2020	66.832	65.18	19.942	<=5	741,076.61	747,241,349.50	n/a		
2021	29.664	28.38	14.807	10	12,035,585.84	891,439,562.74	n/a	27.701	23.353
2022	-20.476	-21.263	-20.433	11	5,868,195.52	743,061,621.11	0.447	29.692	26.021
2023	8.183	7.112	16.933	13	12,027,754.92	870,548,569.03	0.087	18.346	21.105
2024	11.391	10.288	11.538	11	8,622,112.55	598,962,335.44	0.172	17.396	23.301

Partial Years

¹ Returns for 2018 are from 07/31/2018 to 12/31/2018

- Riverwater Partners, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Riverwater Partners has been independently verified for the periods April 27, 2016 to December 31, 2024.
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 Riverwater Micro Opportunities Equity Composite has had a performance examination for the periods August 1, 2018 through December 31, 2024. The verification and performance examination reports are available upon request.
- Riverwater Partners is defined as a registered investment advisor that is not affiliated with any parent organization. Riverwater Partners acquired Falcons Rock Investment Counsel in 2019.
- The Riverwater Micro Opportunities Strategy seeks to provide attractive risk-adjusted returns versus its benchmark, the Russell 2000 Index. The Micro Opportunities Strategy holds 25-40 holdings with market capitalizations generally below \$1.5B at initial purchase. Key material risks include the risks that stock prices will decline and that the composite will underperform its benchmark. There is no account minimum for the composite.
- Returns presented are time-weighted based on net of transaction costs and non-reclaimable withholding taxes, if any, are expressed in US dollars. Accounts included in the composite generally include reinvestment of dividends and additional proceeds. Gross composite returns do not reflect the deduction of investment advisory fees. Net returns are calculated using a model investment advisory fee by deducting 1/12th of the model management fee from the monthly gross portfolio return. The net fee applied is the maximum annual advisory fee based upon the fee schedule in effect during each respective performance report. Any changes to the fee schedule are reflected in the calculation of the net composite returns beginning with the period in which the fee schedule is revised. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The management fee for the Riverwater Micro Opportunities portfolio is 1.00%.
- A list of composites, policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.
- The composite was created in July 2019 and the inception date is July 31, 2018.
- Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. The composite requires more than 5 accounts to calculate this metric.
- The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. The composite and benchmark 3-year standard deviation is not presented if there are not 36 months of available consecutive performance.
- Since inception, portfolios are removed from the composite if they have a significant cash flow. A significant cash flow is defined as a contribution or withdrawal greater than 20% of the beginning market value of a portfolio. The portfolio is removed from the composite for the month in which the significant cash flow occurred.
- GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
- Actual performance results may differ from Composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. Performance for some accounts in this Composite may be calculated by third-parties that use different security pricing and performance methodologies. Past performance is not indicative of future results. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses.