



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.

FOCUSED PORTFOLIOS, CONTRARIAN MINDSET

Concentrated portfolios crafted by a team with a contrarian mindset to identify stocks with idiosyncratic drivers in pursuit of attractive 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
26 yrs experience, 9 yrs on team

NATHAN FREDRICK, CFA

Analyst
10 yrs experience, 8 yrs on team

CINDY BOHLEN, CFA

Director of Responsible Investing
21 yrs experience, 8 yrs on team

KIRK FOX

Director of Research
23 yrs experience, 5 yrs on team

ELIZABETH GAUTHIER

Analyst
3 yrs experience, 3 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	25-45
VEHICLE	SMA
MARKET CAP	Greater than \$250 million and less than \$5 billion at initial purchase
INCEPTION DATE	7.31.22

STRATEGY RETURNS

	3 MO	YTD	1 YR	3 YR	Since Incep.
Composite (gross)	7.00	7.00	14.90	12.04	14.71
Composite (net)	6.74	6.74	13.76	10.93	13.58
Russell 2000	0.89	0.89	25.72	13.05	9.54

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

CONTRIBUTORS / DETRACTORS

Contributors

1. Modine Manufacturing Co	211 bps
2. Adeia Inc.	169 bps
3. Kodiak Gas Services, Inc.	150 bps

Detractors

1. Coastal Financial Corp	-120 bps
2. AtriCure, Inc.	-102 bps
3. Allot Ltd.	-73 bps

TOP 5 HOLDINGS

5.9%	Adeia Inc.
5.4%	StoneX Group Inc.
4.4%	Atmus Filtration Technologies
4.4%	Kodiak Gas Services, Inc.
4.0%	Modine Manufacturing Co
24.0%	of total net assets

STRATEGY INFORMATION

STRATEGY STATISTICS

	Small Cap Strategy	R2000 Index
Price to Earnings	24.7x	18.0x
AWMC	\$3.4B	\$4.9B
Dividend Yield	0.8%	1.2%
Return on Equity	15.3%	3.7%
LT Debt to Capital	34.4%	36.3%
Number of Holdings	36	1933
Beta*	0.78	1

*Since Inception

SECTOR WEIGHTINGS

	Ending Weight	R2000 Index
Consumer Disc.	10.40	8.63
Consumer Staples	2.83	1.73
Energy	7.44	5.40
Financials	14.99	16.29
Health Care	12.01	17.66
Industrials	17.21	17.41
Info Tech	19.91	16.26
Materials	4.24	5.39
Real Estate	2.43	5.70
Comm Services	0	2.31
Utilities	6.01	3.15

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 Small Cap Strategy 07/31/2022 to 12/31/2025

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 (%)
2022 ¹	6.00	5.56	-5.91	<=5	215,807.24	747,485,966.02	n/a		
2023	24.48	23.25	16.93	<=5	326,233.81	871,096,412.95	n/a		
2024	18.46	17.28	11.54	7	61,775,683.06	600,171,968.61	n/a		
2025	-1.10	-2.08	12.81	7	61,107,999.13	660,646,524.07	0.54	16.67	19.63

Partial Years

¹ Returns for 2022 are from 07/31/2022 to 12/31/2022

- 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 period April 27, 2016 through December 31, 2025. A firm that claims compliance with the GIPS standards must establish policies and procedures designed to comply with all 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 Small Cap Composite has undergone a performance examination for the period August 1, 2022 through December 31, 2025. The verification and performance examination reports are available upon request.
- Riverwater Partners, LLC is defined as a registered investment advisor and is not affiliated with any parent organization. Riverwater Partners acquired Falcons Rock Investment Counsel in 2019.
- The Riverwater Small Cap Strategy seeks to provide attractive risk-adjusted returns relative to its benchmark, the Russell 2000 Index. The strategy generally holds 30–45 small-cap companies with market capitalizations typically between \$250 million and \$5 billion at the time of initial purchase. Material risks include equity market risk (the risk that stock prices will decline), small-capitalization risk (including greater volatility and liquidity constraints), and the risk that the composite may underperform its benchmark. There is no minimum account size required for inclusion in the composite.
- Returns are time-weighted and are presented in U.S. dollars. Returns are calculated net of transaction costs and non-reclaimable withholding taxes, if applicable, and assume the reinvestment of dividends and other income. Accounts included in the composite generally reflect the reinvestment of dividends and other proceeds. Gross composite returns do not reflect the deduction of investment advisory fees. Net returns are calculated by deducting one-twelfth of the applicable model annual management fee from the monthly gross portfolio return. The model fee applied reflects the maximum annual advisory fee in effect during the respective performance period. Any changes to the fee schedule are reflected in the calculation of net composite returns beginning in the period in which the revised schedule becomes effective. Actual client fees may vary based on, among other factors, the applicable fee schedule and portfolio size. The annual management fee for the Riverwater Small Cap Strategy is 1.00% on assets under \$5 million and 0.85% on assets over \$5 million.
- A list of composite descriptions, policies for valuing investments, calculating performance, and preparing GIPS reports is available upon request.
- The composite inception date is July 31, 2022. The composite was created in August 2022.
- Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of portfolios included in the composite for the entire year. Internal dispersion is presented only for years in which the composite contains five or more portfolios for the entire year.
- 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 three-year annualized standard deviation are not presented for periods with fewer than 36 consecutive months of performance.
- Portfolios are temporarily removed from the composite in the month a significant cash flow occurs. A significant cash flow is defined as a contribution or withdrawal exceeding 20% of the portfolio's beginning market value for the month.
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- Actual performance results may differ from composite returns depending on account size, investment guidelines or restrictions, inception date, and other factors. Performance for certain accounts within the composite may be calculated by third parties that utilize different security pricing sources or performance methodologies. Past performance is not indicative of future results. All investments involve risk, including the potential loss of principal.