Certified B Corporation

RIVERWATER PARTNERS

STRATEGY FACTSHEET

# SMALL CAP STRATEGY

Data Current as of September 30, 2026



## 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

### FOCUSED PORTFOLIOS, CONTRARIAN MINDSET

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.

### INDEPENDENT AND ALIGNED

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

### MINDFUL INVESTING: SEEKING OPPORTUNITIES FOR 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**
Co-Founder, CIO & Co-Portfolio Manager
26 yrs experience · Founded firm 2016

**KIRK FOX**
Director of Research
23 yrs experience · Joined 2020

**CINDY BOHLEN, CFA**
Director, Responsible Investing
21 yrs experience · Joined 2017

**NATHAN FREDRICK, CFA**
Co-Portfolio Manager
10 yrs experience · Joined 2017

**ELIZABETH GAUTHIER**
Analyst
3 yrs experience · Joined 2024

## OUR MISSION

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

## STRATEGY OVERVIEW

| | |
|---|---|
| BENCHMARK | Russell 2000 |
| NUMBER OF HOLDINGS | 30-45 |
| VEHICLE | SMA |
| MARKET CAP | $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) | -7.92 | 17.09 | 12.50 | 16.22 | 15.30 |
| Composite (net) | -8.15 | 16.22 | 11.39 | 15.07 | 14.16 |
| Russell 2000 | -7.23 | 13.71 | 16.20 | 17.72 | 11.50 |

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

### CONTRIBUTORS / DETRACTORS

**Contributors**

| | |
|---|---|
| 1. AtriCure, Inc. | ▲ 248 bps |
| 2. Red Violet, Inc. | ▲ 54 bps |
| 3. Merit Medical Systems, Inc. | ▲ 52 bps |

**Detractors**

| | |
|---|---|
| 1. Kodiak Gas Services, Inc. | ▼ -117 bps |
| 2. PDF Solutions, Inc. | ▼ -103 bps |
| 3. Coastal Financial Corporation | ▼ -89 bps |

### TOP 5 HOLDINGS

| | |
|---|---|
| 3.9% | Palomar Holdings, Inc. |
| 3.8% | InterDigital, Inc. |
| 3.7% | AtriCure, Inc. |
| 3.7% | Digi International Inc. |
| 3.7% | StoneX Group Inc. |
| 18.7% | **of total net assets** |

## STRATEGY INFORMATION

### STRATEGY STATISTICS

| | Small Cap Strategy | R2000 Index |
|---|---|---|
| Price to Earnings | 22.1x | 16.6x |
| Avg. Weighted Market Cap | $3.5B | $3.9B |
| Dividend Yield | 0.8% | 1.3% |
| Return on Equity | 15.0% | 2.0% |
| LT Debt to Capital | 29.0% | 36.3% |
| Number of Holdings | 41 | 1975 |
| Beta (Since Inception) | 0.78 | 1.00 |

### SECTOR WEIGHTINGS

| | Ending Weight | R2000 Index |
|---|---|---|
| Consumer Discretionary | 2.70 | 9.00 |
| Consumer Staples | 4.40 | 1.90 |
| Energy | 7.40 | 5.60 |
| Financials | 11.40 | 17.90 |
| Health Care | 16.80 | 20.40 |
| Industrials | 19.10 | 14.30 |
| Information Technology | 21.60 | 15.50 |
| Materials | 5.20 | 4.40 |
| Real Estate | 2.80 | 6.00 |
| Comm Services | 0.00 | 2.00 |
| Utilities | 6.50 | 3.00 |

*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

1. 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.

2. 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.

3. 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.

4. 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. 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. 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.

5. A list of composites, policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

6. The composite was created in August 2022 and the inception date is July 31, 2022.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.