1Q24 NCG PERFORMANCE COMMENTARY

Market Review

In the first quarter of 2024, equity markets continued to rally after solidly positive returns in 2023, which included a strong move in November and December. January 2024 was a bit of pause after the year end move, but February and March continued the upward trajectory. Investor sentiment has continued to swing wildly over the last few years. Through the first half of 2023, investors were buoyed by resilient economic data, a strong labor market, a slowdown in inflation, and speculation of a soft landing for the economy. However, this sentiment waned in Q3 2023 and into October 2023 as the Fed reiterated its commitment to rates remaining higher for longer, raising concerns about the impact on future economic growth. Sentiment received a big boost during Q4 2023. At the November 1st meeting, the Fed backed off their commitment to rates remaining higher for longer, and on December 13th, laid out their expectations for rate cuts sometime in 2024. The restrictive monetary policy over the last 18 months could still have lingering effects on the economy, but for now, investors have cheered the "Fed pivot" to a more accommodative stance. This momentum continued in the early part of 2024. The debate right now revolves around the timing of the first rate cut and the number of cuts in 2024. Economic data continues to be solid and inflation, while much lower than 12-18 months ago, remains sticky. This complicates the Fed's decision-making process and messaging to the markets. Our philosophy, process and team remain consistent, and we continue to invest in what we believe are the fastest growing and highest quality companies in America. Please see the performance table for details.

Market breadth was a highly discussed topic in 2023. The Magnificent 7 (AAPL, AMZN, GOOGL, META, MSFT, NVDA, TSLA) contributed significantly to positive annual returns in the broader averages. However, in November and December 2023 and through 1Q 2024, breadth has improved, and our five composites and their respective benchmarks are representative of the recent trends in the market. The top-heavy Russell 1000 Growth Index still outperformed smaller cap indices and was up 11.41% in 1Q, but there was broader participation in the market. The Russell 2000 Growth Index was up 7.58% and the Russell Microcap Growth Index was up 6.6% for the quarter.

Overall, large cap stocks continue to outperform small cap stocks, a trend that has persisted for the better part of the last decade. Through 1Q 2024, the Russell 1000 Growth Index has delivered a 10-year annualized return of 15.98% vs the Russell 2000 Growth and Microcap Growth Indexes at 7.89% and 3.84%, respectively. We believe there are reasons to be investing across the market cap spectrum. Large cap stocks have been rewarded for recent earnings growth, which is expected to continue due to solid demand drivers across many sectors and industries. Many large cap stocks have established strong competitive positions which should allow them to maintain and potentially expand market share. Also, the business fundamentals of large cap companies are often less impacted by Fed policy, a big focus for investors recently. Small cap stocks, on the other hand, are trading at low relative valuations levels vs large caps, levels we have not seen in over 20 years. Small cap companies continue to innovate across many sectors, which should allow them to open entirely new end markets and/or take market share from legacy incumbents. Investor sentiment toward small caps has improved since the Fed pivot in late 2023, and in the past, small caps have generally outperformed large caps following the first Fed rate cut and for a sustained period afterward.

We are monitoring potential growth headwinds in this choppy macro environment, but we also continue to own companies that we believe have strong growth fundamentals currently and into the future. New idea generation remains healthy. While the Russell 1000 Growth Index has recovered from the 2022 sell-off and has reached new all-time highs recently, all the small cap growth stock benchmarks we use are still down roughly 20% from all-time highs in 2021 and valuations are reasonable. We look forward to the upcoming March quarter earnings reports and forward guidance updates to gain additional data points on individual companies and overall economic health.

Portfolio Review

Our investment philosophy emphasizes direct research and adhering to a strong sell discipline. Sticking with our discipline has helped us outperform amidst the challenging market conditions of recent years and since inception in all strategies. We strive to own companies that we believe can grow revenue and profits at strong rates in any economic and market environment. We feel we have the opportunity, if we pick the right stocks, to perform better than the index in all market environments. In the first quarter, we outperformed in all strategies (net of fees).

For the quarter, our large cap strategy benefitted from outperformance in most sectors, partially offset by underperformance in industrials. In the small and smid cap strategies, we also had outperformance from most sectors, except technology where two tech stocks contributed significantly to the index performance. Our micro cap strategy outperformed across most sectors but underperformed in health care.

Market Outlook

After a difficult year in 2022, stock rebounded in 2023 and that momentum continued through 1Q 2024. We believe the future direction of the market will depend on the path of the economy and the direction of earnings estimates. While the timing of the first rate cut is uncertain, the Fed is leaning toward a more accommodative position which could lead to a better environment for small cap stocks, while also leaving room for continued earnings growth for large cap companies. Our experienced and stable team has worked through many of these environments over the past 25 years, and we believe we can lean on our experience of bottom-up stock picking to navigate this market as well. As always, we will stay focused on our core investment philosophy. We believe a portfolio of high-quality growth companies, selected using original research and a strong sell discipline, will lead to compounding of portfolio value and market outperformance over time. We believe our investment results continue to support this approach.

On January 2, 2024, the RiverPark/Next Century Large Growth Fund (RPNRX/RPNLX) started trading. The fund utilizes our large cap growth strategy. This is our second mutual fund in partnership with RiverPark. The RiverPark/Next Century Growth Fund (RPNCX/RPNIX), which utilizes our small cap growth strategy, began trading on July 3, 2023.

Next Century Growth Investors Compound annual returns as of 03/31/2024	**1Q24**	**Latest 1 Year**	**Latest 3 Year**	**Latest 5 Year**	**Latest 10 Year**	**Inception^ To Date**
Large Cap Growth Composite (%) (net of fees)	13.15	40.65	11.65	19.02	16.34	10.85
Russell 1000® Growth Index (%)	11.41	38.99	12.50	18.51	15.98	8.17
Small Cap Growth Composite (%) (net of fees)	9.35	13.74	1.98	17.67	12.58	10.88
Russell 2000® Growth Index (%)	7.58	20.34	(2.67)	7.37	7.89	6.99
Micro Cap Growth Composite (%) (net of fees)	6.75	5.43	(1.73)	20.02	16.48	17.11
Russell Microcap® Growth Index (%)	6.60	15.43	(10.98)	4.19	3.84	7.84
Smicro Cap Growth (%) (net of fees)	9.74	16.40	2.04	18.40	14.00	16.79
Russell 2000® Growth Index (%)	7.58	20.34	(2.67)	7.37	7.89	10.51
SMID Cap Growth Composite (%) (net of fees)	10.60	16.50	2.21	17.97	12.70	7.51
Russell 2500™ Growth Index (%)	8.50	21.12	(0.80)	9.39	9.55	6.41

NCG Next Century Growth Investors, LLC

NCG SMALL CAP 1Q24 REVIEW

				Annualized		
	QTD	1 year	3 year	5 year	10 year	Since Inception*
Small Cap Growth (%) (Net of fees)	**9.35**	**13.74**	**1.98**	**17.67**	**12.58**	**10.88**
Russell 2000® Growth Index (%)	7.58	20.34	(2.67)	7.37	7.89	6.99

*Inception 1/1/1999

We purchased 10 new positions: CYBR, GLOB, MNDY, DV, GSHD, VCEL, QNST, FROG, CAVA, PAY

CyberArk Software (CYBR) is a leading identity security platform which helps companies protect against cybersecurity attacks. CYBR specializes in privileged access management (PAM) and has a full suite of products for identity security. As cyber attack sophistication increases, companies of all sizes need to upgrade from legacy solutions such as SSO (single sign on) and MFA (multi-factor authentication), which is leading to a strong demand environment for CYBR's solutions. Given this end market backdrop, the company is growing revenue >20% and is delivering solid margin expansion.

Globant (GLOB) is an IT service provider focused on enabling digital transformation for companies across a broad range of industries. We have owned GLOB in the past. Digital transformation spending has been strong for many years but there was a slowdown following outsized growth during 2021 and early 2022. Globant was able to navigate the slowdown while maintaining solid growth rates and we believe they are well positioned as the spending environment improves.

monday.com (MNDY) provides a next generation software platform for companies to run many key aspects of their businesses, such as managing project tasks and workflows, product development, and sales CRM (customer relationship management). MNDY has had success selling into small and medium size businesses and is having increasing success further up market. Revenue growth is currently in the 30% range and the company has proven they can operate profitably and generate solid free cash flow.

DoubleVerify Holdings (DV) offers software that makes digital advertising stronger, safer, and more secure for advertisers. Their solutions protect brands from buying ad inventory that is fraudulent or unsuitable, improve targeting of ad buying, and provide measurement of advertising effectiveness. DV has become a trusted source for large brand advertisers, and they have carved out a strong competitive position. Demand remains strong as more and more advertising spend is shifted online. DV has been delivering revenue growth >20% and they have strong levels of profitability margins.

Goosehead Insurance (GSHD) is an insurance broker primarily offering personal lines policies. The company sells policies through both corporate-owned and franchised offices. The growth strategy for GSHD is to grow written premium each year through increasing productivity from existing offices, adding new offices in unfilled territories, and maintaining best-in-class premium retention rates. Goosehead is a name we have owned in the past but sold due to the company experiencing some growing pains. We believe the company has worked through these headwinds and has a large opportunity to execute the growth strategy going forward.

Vericel Corporation (VCEL) manufactures and sells two advanced cell therapy products: MACI is a cartilage repair product for the treatment of cartilage defects in the knee and Epicel is a permanent skin replacement in the severe burn care field. The company also licenses NexoBrid, which is used to remove eschar in patients with partial or full thickness burns. MACI, which is still <10% penetrated into a $2B addressable market, is the primary growth driver and continues to gain adoption from surgeons and patients due to strong clinical results. Epicel operates in a slower growth segment of the burn market but VCEL maintains high market share. NexoBrid, a product recently approved by the FDA, can be an incremental growth catalyst for VCEL's burn franchise. VCEL generates solid revenue growth, healthy profit margins, and is supported by a balance sheet with $125m cash and no debt.

QuinStreet (QNST) is an advertising technology company that powers online marketplaces to match searching consumers with brands in large end markets such as insurance, home services, credit cards, personal loans, and banking. With one of the largest media networks, QNST allows consumers to find brands faster, while giving the brands measurability of digital media spend. We have owned QNST in the past. Since then, they have streamlined the business by eliminating a few problematic end markets, and their largest vertical, insurance, appears to be back in growth mode. We believe QNST's revenue growth can accelerate from current levels, which should also drive solid operating margin expansion and earnings growth.

JFrog Ltd (FROG) provides a software supply chain platform that enables organizations to continuously and securely create and deliver software updates across any system. The core offering, called Artifactory, is a system of record for all software development for an organization. Artifactory is used by over 80% of the Fortune 1000, demonstrating the market leading position of the company. JFrog has multiple avenues for continued durable revenue growth, including continued expansion of Artifactory and a cross-sell opportunity of recently launched offerings including security. In addition, JFrog has successfully been expanding profit margins, which is expected to continue into the future.

CAVA Group (CAVA) is a fast casual restaurant chain serving authentic Mediterranean cuisine, featuring customizable bowls and pitas. CAVA currently owns and operates >300 stores, and the company targets a 15% plus new store growth rate. The intermediate goal is to have 1,000 stores by 2032 with plenty of opportunity to grow beyond that level. The company already delivers solid restaurant level margins >20% and they believe 3-5% same store sales growth is achievable over time. As the business matures, they should be able to leverage G&A expense which should lead to strong earnings growth over many years.

Paymentus (PAY) provides a payments platform with next generation bill pay technology serving customers in end markets such as utilities, financial services, insurance, government, telecom and health care. The end market is transitioning away from legacy bill pay 1.0 platforms, that offer limited functionality relative to PAY's solution. PAY operates in a large end market, and the company targets revenue growth of 20% and operating profit growth that is inline to greater than revenue growth. The company has a strong balance sheet with >$150m cash and no debt.

Due to our sell discipline, we exited six positions: PTEN, CRDO, KIDS, ASLE, DAVA, AXNX. In general, we sell to zero when our research uncovers a change in our original investment thesis, valuation is extended, or we are replacing a name with a more attractive investment opportunity. AXNX agreed to be acquired by Boston Scientific (BSX).

SECTOR WEIGHTS*

	Small Cap Growth	Russell 2000 Growth Index
Technology	29%	22%
Industrials	24%	23%
Health Care	22%	21%
Consumer Discretionary	6%	12%
Financials	6%	5%
Consumer Staples	5%	3%
Basic Materials	4%	3%
Energy	1%	5%
Real Estate	0%	2%
Telecommunications	0%	1%
Utilities	0%	2%
Cash	2%	0%

ATTRIBUTION*

Contributors	Detractors
• Top 3 contributors to absolute performance: KNSL, CELH, SAIA • NCG's holdings in financials outperformed • NCG's holdings in consumer staples outperformed • NCG's holding industrials outperformed	• Top 3 detractors to absolute performance: SIBN, LGIH, DAVA • NCG's holdings in technology underperformed due to the performance of two very large weightings within the index (SMCI and MSTR). NCG does not own either company.

**As of 03/31/2024*

Disclosures

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Source: FactSet for Attribution and Sectors.

Reported in USD. Performance figures for less than one year are not annualized. An investment in this strategy is speculative and involves substantial risks, including the possible loss of the entire investment and the potential for economic and market conditions and factors to materially adversely affect the value of the investments. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Performance information presented may include "estimated" figures in circumstances where "final" figures are not yet available. Both gross and net performance reflects the reinvestment of dividends and interest, and the deduction of brokerage or other commissions, and any other expenses that a client would have paid or actually paid, other than custodial fees For the Small Capitalization Growth Equity Composite IPOs contributed significantly to performance in 1999. Next Century Growth Investors claims compliance with the Global Investment Performance Standards (GIPS®). 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..

^Large Cap Growth Composite Inception 1/1/1999, represent 14.86% firm AUM
^Small Cap Growth Composite Inception 1/1/1999, represent 35.94% firm AUM
^Micro Cap Growth Composite Inception 1/1/2003, represent 34.84% firm AUM
^SMID Cap Growth Composite Inception 4/1/2000, represent 2.00% firm AUM
^SMicro Cap Growth Composite Inception 1/1/2013, represent 1.79% firm AUM

The Russell Microcap® Growth Index measures the performance of the microcap growth segment of the U.S. equity market. It includes Russell Microcap companies that are considered more growth oriented relative to the overall market as defined by Russell's leading style methodology. The Russell Microcap Growth Index is constructed to provide a comprehensive and unbiased barometer for the microcap growth segment of the market. The Index is completely reconstituted annually to ensure larger stocks do not distort performance and characteristics of the microcap opportunity set. The Russell Microcap Growth Index is not an actual investment and does not reflect the deduction of transaction charges and other expenses that your account must bear. Additional information regarding policies for calculating and reporting returns is available upon request

The NCG Micro Cap Growth Equity Composite contains portfolios investing primarily in the equity securities of smaller U.S. companies that the portfolio manager believes have substantial potential for high long-term growth. The portfolio manager seeks to identify the fastest growing and highest quality companies for investment. Investment results are measured versus the Russell Microcap® Growth Index.

The Next Century Growth Investors Small/Micro Cap Growth Equity Composite contains portfolios investing primarily in the equity securities of smaller companies that the portfolio manager believes have substantial potential for high long-term growth. The portfolio manager seeks to identify the fastest growing and highest quality companies for investment. The strategy invests in both small and microcap companies Investment results are measured versus the Russell 2000® Growth Index.

The NCG Small Capitalization Growth Equity Composite contains portfolios investing primarily in the equity securities of smaller U.S. companies that the portfolio manager believes have substantial potential for high long-term growth. The portfolio manager seeks to identify the fastest growing and highest quality companies for investment. Investment results are measured versus the Russell 2000® Growth Index.

The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the US equity universe. It includes those Russell 2000® companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics. The Russell 2000® Growth Index is not an actual investment and does not reflect the deduction of transaction charges and other expenses that your account must bear.

The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. The Russell 1000® Growth Index is not an actual investment and does not reflect the deduction of transaction charges and other expenses that your account must bear.

The NCG Focused Large Capitalization Growth Composite contains portfolios investing primarily in equity securities of U.S. companies that the portfolio manager believes have substantial potential for high long-term growth. The portfolio manager seeks to identify the fastest growing and highest quality companies for investment. The strategy invests in both large and medium companies with an emphasis on large capitalization. Investment results are measured versus the Russell 1000® Growth Index.

The Russell 2500™ Growth Index measures the performance of the small to mid-cap growth segment of the US equity universe. It includes those Russell 2500™ companies with higher growth earning potential as defined by FTSE Russell's leading style methodology. The Russell 2500™ Growth Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap growth market. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect growth characteristics.

The NCG Small/Mid Capitalization Equity Composite contains portfolios investing primarily in the equity securities of small and medium-sized U.S. companies that the portfolio manager believes have substantial potential for high long-term growth. The portfolio manager seeks to identify the fastest growing and highest quality companies for Investment. Investment results are measured versus the Russell 2500™ Growth Index.