CONESTOGA
CAPITAL ADVISORS

PIONEERS IN SMALL AND MID CAP INVESTING

FOURTH QUARTER 2020 COMMENTARY

MARKET REVIEW

Despite the devastating human toll and economic impact of COVID-19, U.S. equity markets rallied sharply off their March 2020 lows to produce double-digit returns for the full year. Markets surged higher in the fourth quarter as investors cheered the arrival of vaccines and continued stimulus programs to support the economy. U.S. Gross Domestic Product growth surged 33.4% in the third quarter, partially rebounding from the 5.0% decline in the first quarter and the 31.4% plunge in the second quarter. Unemployment stood at 6.7% at the end of November, down from April's peak of 14.7%. Over nine million jobs were lost in 2020, surpassing the prior record of five million in 2009 during the great financial crisis.

For the full year 2020, Small Cap stocks generally outperformed Large Cap stocks, and Growth stocks outperformed Value stocks. However, there was significant dispersion among sectors that generated the relative performance of the Growth/Value styles. For example, Small and SMid Cap Growth returns were driven by the Health Care and Technology sectors. On the flip side, Small and SMid Value returns were dragged lower by the less positive performance of Financials, Consumer Staples, and Basic Materials.

We also observed the very strong performance of loss-making companies relative to profitable companies throughout 2020. Those companies in the Russell 2000 Growth which are expected to produce losses in the next twelve months returned 71.6% in 2020 compared to the 25.3% return in 2020 for those that are expected to be profitable in the next twelve months. Within the Russell 2500 Growth, the expected loss-makers rose 76.2% in 2020 vs the expected profitable companies' return of 34.2%. (Data source: FactSet and Conestoga.)

The extended outperformance of loss-making companies may be a sign of investors' appetite for risk. Markets enter the New Year at lofty valuations by historical standards. The widely accepted valuation metrics for equities are at above average levels and are heavily reliant on continued earnings growth and low interest rates. Other notable signs of exuberance in the equity markets included the significant fundraising of initial public offerings (IPOs) and special purpose acquisition companies (SPACs). IPOs, including those for SPACs, raised more money than in any year since 1999. Of note, SPACs are "blank check" companies that have no underlying business but only seek to acquire another company.

PERFORMANCE TABLE (AS OF 12/31/20)*

	4Q20	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/1998
Conestoga Small Cap Growth (Net)	**24.87%**	**31.10%**	**18.82%**	**20.12%**	**15.88%**	**12.88%**
Russell 2000 Growth	*29.61%*	*34.63%*	*16.20%*	*16.36%*	*13.48%*	*8.23%*
Russell 2000	*31.37%*	*19.96%*	*10.25%*	*13.26%*	*11.20%*	*8.71%*

	4Q20	1 Year	3 Years	Since 1/31/2017
Conestoga SMid Cap Growth (Net)	**19.72%**	**30.89%**	**21.46%**	**24.76%**
Russell 2500 Growth	*25.89%*	*40.47%*	*19.91%*	*20.81%*

**Periods longer than 1 Year are Annualized. Please see additional important disclosures in the fully compliant GIPS presentations at the end of this commentary.*

Unexpected shocks will likely not be tolerated well by the market, and we expect that volatility will be prevalent throughout the year ahead. As we have stated in past commentaries during such periods of higher valuations, Conestoga remains focused on identifying companies that we believe can deliver long-term earnings growth and which we believe are priced at reasonable valuations.

FIRM UPDATE

- Conestoga's staff has been working remotely since the mid-March 2020 implementation of our COVID-19 business continuity plans. During the fourth quarter, we implemented a return to the office in a measured and voluntary plan, including regular COVID-19 testing of anyone that does go to the office. We continue to monitor local and regional developments. Please do not hesitate to contact us with any questions. We remain ready to serve you.
- Ted Chang, who joined Conestoga in June 2020, has joined Derek Johnston as Co-Portfolio Manager for the firm's Mid Cap Growth strategy, effective December 31, 2020. Bob Mitchell has stepped down as Co-Portfolio Manager for the Mid Cap Growth strategy and will continue in his role as Co-Portfolio Manager for the firm's Small Cap Growth and SMid Cap Growth strategies.
- As of December 31, 2020, Conestoga's total assets were $7.3 billion and total Small Cap Growth assets were over $6.0 billion. Conestoga is not actively pursuing new Small Cap Growth separate account placements and the Conestoga Small Cap Fund remains in soft-close. Please do not hesitate to contact us if you have questions about potential Small Cap Growth placements.
- Total assets in our SMid Cap Growth strategy rose to $1.1 billion as of December 31, 2020. Our proprietary mutual fund, the Conestoga SMid Cap Fund, ended the quarter with $308 million in net assets.

CONESTOGA'S INVESTMENT PHILOSOPHY & APPROACH

Philosophy

Our high quality conservative growth philosophy seeks to take advantage of the inefficient discovery process for small and mid capitalization companies and other investors' focus on near-term earnings. We employ our 'time horizon arbitrage' principles by identifying these higher quality companies that we believe are capable of growing through multiple business cycles.

Key Tenets of Our Style

High Quality Conservative Growth

- We invest in companies which we believe have sustainable earnings growth and strong balance sheets.

Patient, Long-Term Approach

- We have a long-term investment horizon which typically results in a low turnover rate of 20-30%.

High Conviction

- Range of portfolio holdings is expected to provide a balance between alpha generation and diversification.

Consistency of Returns with Low Volatility and Downside Protection

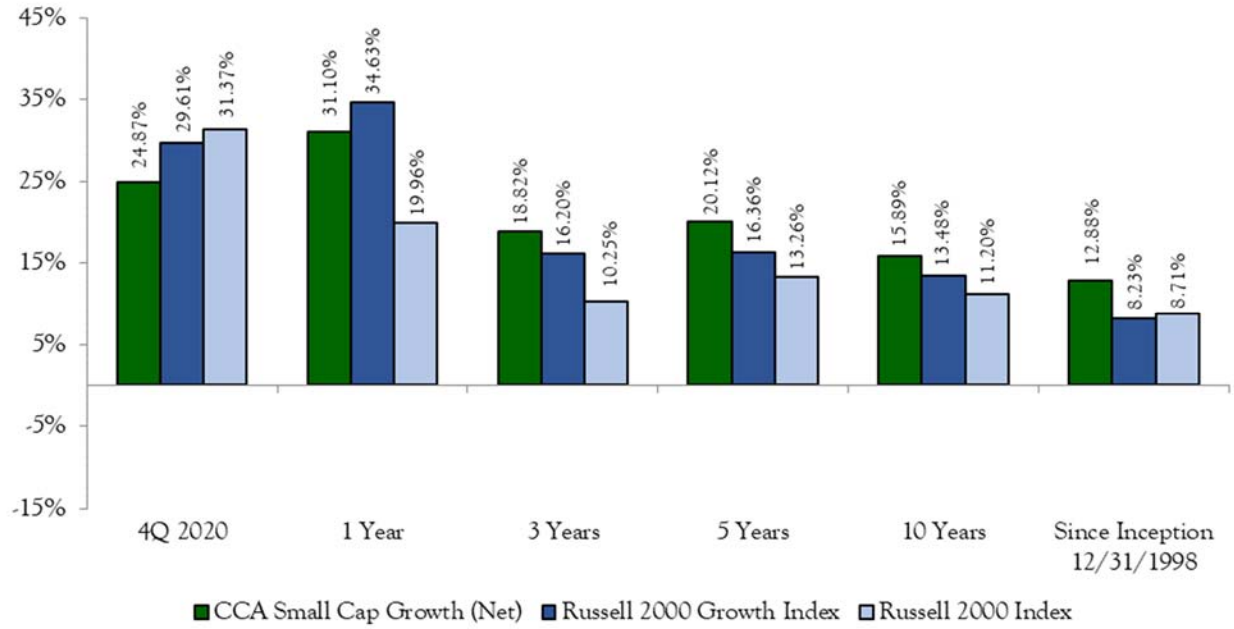
- Consistently applied investment discipline has resulted in strong risk-adjusted returns over full market cycles.

CONESTOGA'S SMALL & SMID CAP GROWTH STRATEGIES (AS OF 12/31/20)

Portfolio Guidelines	Small Cap Growth	SMid Cap Growth
Capitalization Range	Within the range of the rolling 3-year average of the benchmark	
Weighted Avg. Market Capitalization	$4,708.4 Million	$9,720.7 Million
Number of Holdings (Range)	45 – 50	40 – 60
Primary Benchmark	Russell 2000 Growth	Russell 2500 Growth
Investment Vehicles	Separate Account, Mutual Fund, CIF	Separate Account, Mutual Fund, CIF
Estimated Capacity	Limited	$2.0 Billion Plus
Total Strategy Assets	$6,093.6 Million	$1,126.9 Million
Holdings Overlap	27 stocks held in Both Portfolios	

**Please note: the specific securities identified and described in this report do not represent all of the securities purchased, sold or recommended for advisory clients, and you should not assume that investments in the securities identified and discussed will be profitable in the future. As you are aware, one cannot assume that past results are indicative of future performance.*

Small Cap Growth Performance (As of 12/31/20)**



*** Sources: Conestoga, Russell Investments. Periods Longer than One Year are Annualized. Composite Inception is December 31, 1998. Please see additional important disclosures in the fully compliant GIPS presentations at the end of this commentary.*

Small Cap Growth - 4Q20 Performance & Attribution

The Conestoga Small Cap Growth composite underperformed the Russell 2000 Growth Index in the fourth quarter, rising 24.87% net-of-fees versus the benchmark's return of 29.61%. It marked the third highest quarterly return in the composite's history going back to 1999 but was unable to keep pace with the benchmark due to negative stock selection and sector allocation effects as well as some stylistic headwinds. Stock selection effects were most negative in the Technology, Industrials and Health Care sectors and our lack of exposure to the strongly performing Energy sector was a drag on performance. There were also some extreme return discrepancies within factors as nonearners and those companies with the highest forecasted sales growth and lowest operating margins significantly outperformed more profitable companies with modest sales growth rates. Our cash levels during such a strong up market also detracted from returns.

Within Technology, our position in Model N, Inc. (MODN) was the largest drag on relative returns. The company was a recent purchase in the portfolio, but shares were flat for the quarter after management issued guidance that came in below analysts' expectations. The portfolio also suffered from a lack of exposure to semiconductors as this highly cyclical industry benefited from renewed optimism of strong growth following a post-COVID economy.

The Health Care sector also proved difficult as biotechnology stocks continued to outperform. Our consistent underweight to these types of companies due to their lower-quality earnings profile and binary risk nature hurt relative performance as the group surged over 35% for the quarter. While a majority of our portfolio holdings in the space performed well during the period, shares of long-time holdings, Neogen Corp. (NEOG) and National Research Corp. (NRC), failed to keep up with the rising market and detracted modestly from returns.

Negative stock selection and sector allocation effects hampered results in the Industrials sector with Simpson Manufacturing Co. (SSD) detracting the most from performance. Shares of the building materials producer traded slightly lower and was the biggest laggard in the portfolio as investors focused on a number of factors including concerns about rising raw material prices, tough 2021comparisons, and the halted rollout of mechanical anchors and fasteners with Home Depot.

Consumer Staples was a bright spot during the quarter as our underweight to the defensive-oriented sector provided a boost along with our position in WD-40 (WDFC). Shares were up sharply as higher-than-expected sales from increased levels of DIY projects due to the global pandemic lifted the stock.

Small Cap Growth - Full Year 2020 Performance & Attribution

Equity markets climbed higher and reached all-time highs in 2020 despite a massive sell-off in the first quarter of the year following the outbreak of the COVID-19 pandemic. Economic growth and sentiment plunged, and the massive fiscal and monetary response that ensued was swift helping provide a boost to global economies.

The Conestoga Small Cap Growth composite rose 31.10% net-of-fees for the year ended December 31, 2020 versus the Russell 2000 Growth Index return of 34.63%. While disappointing to underperform the benchmark, relative results are as we would expect given the massive rally in equity markets and the outperformance of "low-quality" stocks. Strong performance of loss-making companies relative to profitable companies throughout 2020 was a difficult hurdle to overcome as the nonearners in the Russell 2000 Growth Index returned 71.6% for the year compared to the 25.3% return for profitable companies (Data source: FactSet and Conestoga.)

Underperformance for the year was concentrated in three sectors, Health Care, Consumer Staples and Energy with all other sectors providing positive effects to relative returns. Much of the poor results within Health Care can be attributed to the portfolio's large underweight to the biotechnology industry. In addition, negative stock selection effects, particularly our positions in Cantel Medical Corp. (CMD) and National Research Corp (NRC), detracted from performance.

All the underperformance in the Consumer Staples sector came from our positions in MGP Ingredients (MGPI) and Chef's Warehouse (CHEF), both of which were sold during the year. MGPI shares declined as management realized selling aged distillate in high volumes was unpredictable. CHEF underperformed due to the catastrophic impact of the COVID-19 pandemic as many of its customers were shut down due to social distancing restrictions and restaurant closures. While the Energy sector is only a small part of the Index (1%), it was up over 240% for the year and our lack of exposure to the space was a significant headwind for returns. Our cash levels during such a strong up market also detracted from performance.

The portfolio was able to offset some of the losses through positive selection and allocation effects within Real Estate, Consumer Discretionary and Telecommunications. The portfolio's lack of exposure to poorly performing REITs provided a significant tailwind to the portfolio while some of our positions in the Consumer Discretionary sector directly benefited from the COVID-19 pandemic including SiteOne Landscape Supply, Inc. (SITE) and Fox Factory Corp. (FOXF). Our underweight to the slow growing Telecommunications sector coupled with our holding in Vocera Communications, Inc. (VCRA) also contributed to relative returns.

Small Cap Growth - 4Q20 Buys

1. Vertex, Inc. (VERX): VERX is a leading provider of tax automation software that helps corporations with indirect taxes such as sales taxes or value added taxes (VAT). VERX's software helps companies remit tax payments and comply with increasingly complex tax regulations through its industry-leading database of tax rules. We believe VERX should continue to see solid growth as it expands internationally, grows its cloud business (which increases recurring revenue), and cross-sells a broad product offering into its existing customer base.

2. Simulations Plus (SLP): Based in Lancaster, CA, SLP is a leading provider of simulation and modeling software and consulting services to pharmaceutical and biotechnology companies. SLP is another example of a position that the firm is familiar with due to it being a holding of Conestoga's Micro Cap strategy. The company's most recent quarterly report provided a nice entry point for the small cap strategy. While the company reported a solid quarter, the company's customer retention rate dipped to 88% and its ability to sign up new clients has been diminished by COVID-19. We believe this lower retention rate is a temporary issue and the strength of the business is indicated by management continuing to guide to 15-20% revenue growth for 2021. Similar to other simulation software companies, SLP's software enables its customers to bring its products to market in a more cost effective and timely manner.

Small Cap Growth - 4Q20 Sells

1. Proto Labs, Inc. (PRLB): We eliminated PRLB in the portfolio in order to make room for Simulations Plus, Inc. (SLP). The strategy had been operating with 50 companies, the top of its stated 45-50 company range. PRLB had been a Conestoga holding since 2012, but we believe that SLP has a lower fundamental risk profile than PRLB. While we believe that PRLB will continue to be a beneficiary of the trend toward additive manufacturing, the visibility in its business is one of the most limited in the portfolio. It has been one of the strategy's most cyclical names given its exposure to industrial manufacturing. We believe we improved the risk return profile of the portfolio by making this swap.

SMALL CAP GROWTH - TOP 5 LEADERS

1. Omnicell, Inc. (OMCL): OMCL, a provider of medication control solutions and medication adherence packaging to hospitals and long-term care facilities, saw its shares rise over 60% during the quarter. Early in the quarter, the company reported results and gave guidance that were above expectations, while rumors of a bid for OMCL from Baxter surfaced in December. Both events supported strong performance from the stock. Management has not commented on the rumor and no definitive deal has been announced. We believe the fundamentals for OMCL remain robust and we continue to own the shares.

2. BlackLine, Inc. (BL): BL's accounting software automation solution has seen accelerating demand as COVID-19 has forced digital transformation to the forefront of spending priorities. BL reported a robust third quarter and announced the acquisition of Rimilia, an accounts receivable automation tool that expands their addressable market by $10 billion.

3. Fox Factory Holding Corp. (FOXF): FOXF is a leading manufacturer of suspension products, that go on high-end Mountain Bikes and Powered Vehicles (ATV's, Side by Sides, Motorcycles, Off Road Vehicles etc). FOXF reported very strong Q320 results where revenue grew 34% and earnings grew 20%. The company is seeing many new design wins in Powered Vehicles and a surge in demand in its bike segment as COVID-19 has caused increased interest in bike riding.

4. Repligen Corp. (RGEN): RGEN is a provider of tools used by biotechnology companies. The stock continued to perform well, rising by nearly 30% during the fourth quarter. The combination of organic growth, new product introductions, and attractive tuck-in acquisitions (cross-sell opportunities) has fueled outstanding results from the company. RGEN has also benefitted from COVID-19 vaccine and treatment development. We continue to expect double-digit annual organic revenue growth for RGEN over the next five years.

5. SPS Commerce, Inc. (SPSC): SPSC's market position as a leader in software automation for e-commerce retailers and suppliers has been favorable as the pandemic has shifted even more purchases online. Supply chain disruptions during COVID-19 have forced more companies to automate and share information with their counterparties. SPSC also announced the acquisition of Data Masons, a solution that adds 450 new customers and solidifies their product integration with Microsoft's cloud CRM and ERP applications.

Source: FactSet Research Systems.

SMALL CAP GROWTH - BOTTOM 5 LAGGARDS

1. Simpson Manufacturing Co., Inc. (SSD): SSD is a leading provider of structural connectors to the U.S. housing market. Despite reporting better-than-expected growth in its business, investors focused on several negative factors, including concerns about rising raw material prices, tough 2021 comparisons and the halted rollout of mechanical anchors and fasteners with Home Depot. We believe the company will continue to benefit from a strong residential housing market particularly in the Southern and Western parts of the U.S. Additionally, the company's focus on internal improvement with respect to working capital should drive long-term shareholder returns.

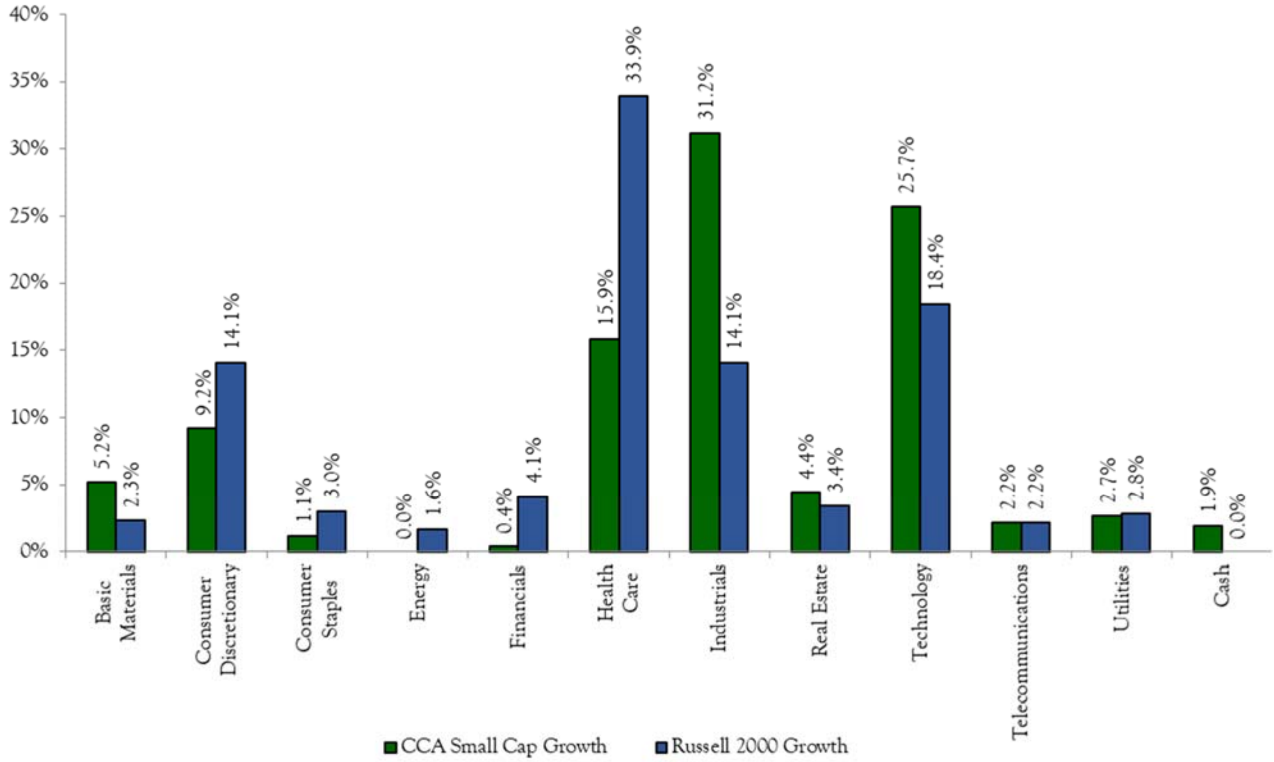
2. Omega Flex, Inc. (OFLX): OFLX reported revenue for the third quarter that declined by 3%. Strong expense management and the lack of one-time expenses that plagued 2019 led to a 45% increase in earnings per share. The company has seen a steady increase in demand since the May timeframe as businesses have resumed activity, notably residential construction, which has seen a rapid rise in demand. Our conversations with management lead us to believe that the residential and commercial construction tailwinds should persist into 2021. The strength in these segments will be complimented by accelerating sales of OFLX's innovative medical gas tubing for healthcare facilities.

3. National Research Corp. (NRC): NRC underperformed during the fourth quarter of 2020, declining by over 10%. The stock fell on little news during the period, moving higher after a decent earnings report but falling midway through November into year-end. The stock is on the lower end of trading liquidity within our portfolio and the decline may have been triggered by other investors' need to exit or reduce their position. We continue to maintain our NRC holding in Conestoga portfolios.

4. Neogen Corp. (NEOG): NEOG's food and animal safety products business has seen a mixed impact from the COVID-19 pandemic. It has driven demand for NEOG's cleaning and disinfectant products but dampened demand for its food safety products. Investors have also been concerned about the company's inability to return gross margins back to the high 40% - low 50% range. The company has cited an increasingly competitive market for acquisitions which has been a meaningful part of NEOG's growth.

5. Dorman Products, Inc. (DORM): DORM is a market leader who designs and distributes after-market car parts. DORM delivered excellent Q320 results with revenue growing 18% and earnings growing 68% as the company benefited from the introduction of new products and as it expands margins leveraging investments in a new DC. Despite these results, the stock did correct during the quarter with industry concerns about auto retail customers seeking lower cost suppliers in China.

SMALL CAP GROWTH - SECTOR WEIGHTINGS (AS OF 12/31/20)



Source: FactSet Research Systems and Conestoga. Sectors are defined according to the ICB industry definitions.

SMALL CAP GROWTH - TOP TEN EQUITY HOLDINGS (AS OF 12/31/20)

SYMBOL	COMPANY NAME	SECTOR	% OF ASSETS
FOXF	Fox Factory Holding Corp.	Consumer Discretionary	3.34%
BL	Blackline, Inc.	Technology	3.34%
SPSC	SPS Commerce, Inc.	Technology	3.22%
RGEN	Repligen Corporation	Health Care	3.16%
OMCL	Omnicell, Inc.	Health Care	3.09%
SITE	SiteOne Landscape Supply, Inc.	Consumer Discretionary	3.04%
DSGX	Descartes Systems Group, Inc.	Technology	2.83%
EXPO	Exponent, Inc.	Industrials	2.79%
MRCY	Mercury Systems, Inc.	Industrial	2.77%
FSV	First Service Corp.	Financials	2.70%
		Total within the Composite:	**30.28%**

The positions represent Conestoga Capital Advisors largest equity holdings based on the aggregate dollar value of positions held in the client accounts that are included in the Small Cap Composite. All information is provided for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned. Sectors are defined according to the ICB industry definitions.

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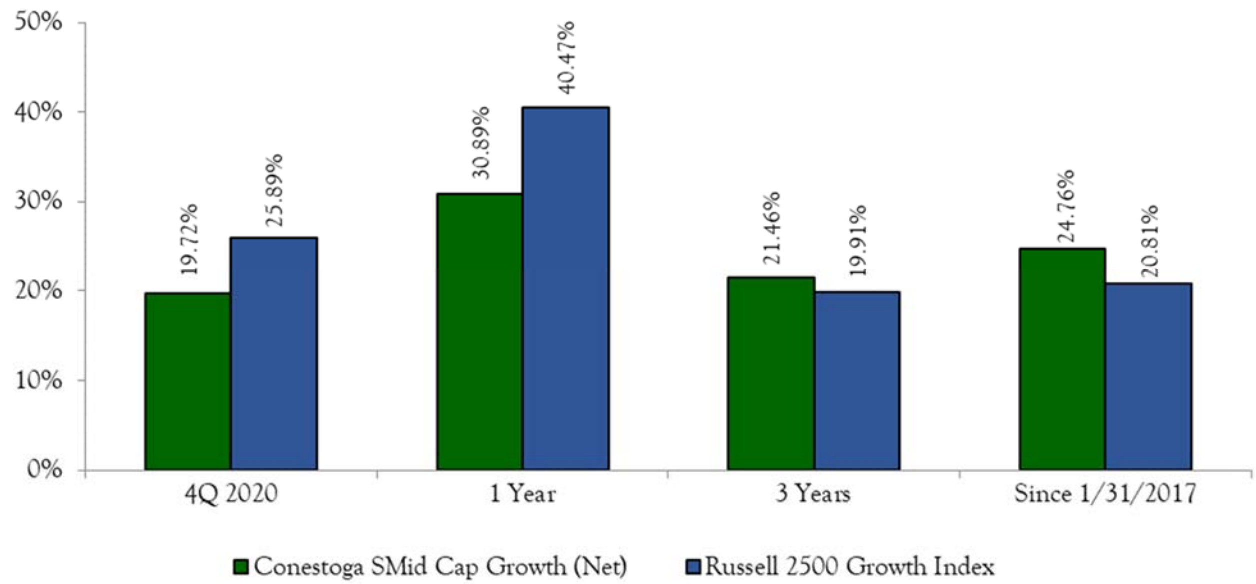
SMID CAP GROWTH PERFORMANCE (AS OF 12/31/20)**



*** Sources: Conestoga, Russell Investments. Composite creation date is December 31, 2013. Please see additional important disclosures in the fully compliant GIPS presentations at the end of this commentary.*

SMID CAP GROWTH - 4Q20 PERFORMANCE & ATTRIBUTION

As the equity market moved sharply higher in the fourth quarter, the Conestoga SMid Cap Growth strategy lagged the surging performance of the benchmark. The SMid Cap Growth composite rose 19.72% net-of-fees in the fourth quarter, which trailed the Russell 2500 Growth Index return of 25.89%. While both sector allocation and stock selection detracted from relative return, we would attribute much of the underperformance to broader style exposures. Conestoga's underweight to the more speculative sectors of the market – unprofitable companies and those with the highest sales growth expectations – was a key factor in our relative performance.

Stock selection detracted from returns most significantly in the Technology, Industrials and Consumer Discretionary sectors. Within the Technology sector, the Conestoga positions struggled to keep pace with the very strong performance of the benchmark sector. The Technology sector of the benchmark rose over 31% in the fourth quarter, while the Conestoga Technology holdings rose over 22%. Descartes Systems Group, Inc. (DSGX) was the strategy's laggard as its stock price was largely unchanged over the period, despite reporting revenue and earnings that modestly exceeded expectations.

Similarly, within the Consumer Discretionary and Industrials sectors, Conestoga's holdings modestly lagged the benchmark sector returns. Conestoga's Consumer Discretionary sector holdings returned over 18% versus the benchmark sector holdings return of over 23%. Rollins, Inc. (ROL) posted the least positive quarterly return within the sector (just under 10%), but this followed stronger returns in the prior quarters.

In the Industrials sector, Conestoga posted a return of 20% versus the benchmark sector return of 23%. Pluralsight, Inc. (PS), Simpson Manufacturing Co. (SSD) and Watsco, Inc. (WSO) all reported revenue and earnings which failed to drive their stock prices higher. Construction Partners, Inc. (ROAD) was among the top performers and added to relative return on news of several acquisitions and a positive outlook for infrastructure spending.

From a sector allocation standpoint, Conestoga's lack of exposure to the Energy sector was the primary detractor from return. The Energy sector (which is relatively small at 2% of the benchmark) rose over 80% in the quarter.

SMid Cap Growth - Full Year 2020 Performance & Attribution

Conestoga's SMid Cap Growth strategy underperformed the Russell 2500 Growth Index in 2020, as the composite could not keep pace with the rapid rise in equity markets from the lows of mid-March. For the full year, the composite rose 30.89% net-of-fees versus the Russell 2500 Growth Index return of 40.47%. We assign much of the relative underperformance to style factors – the outperformance by companies with lower-quality characteristics such as a lack of profits, low returns on equity (ROE), high debt levels, and speculative sales growth forecasts. Viewed through the traditional lens of sector allocation and stock selection, the Conestoga's underperformance was due primarily by sector allocation effects, but stock selection also detracted from relative returns.

We note that Conestoga's sector allocations are driven by our bottom-up stock selection efforts and are not the result of a top-down macroeconomic forecast. With that said, the strategy's overweight to Industrials and underweights to Energy and Technology detracted from return. Industrials lagged the overall market on concerns about the revenue impact of COVID-19 on their businesses. Meanwhile, the Energy sector, which is only a 1% weight in the benchmark, rose 177% over the course of the year. This was led by the largely unprofitable renewable energy equipment industry within the Energy sector, which rose 485% for the year. The Technology sector of the benchmark enjoyed similar favorability from investors and rose 67% within the benchmark.

Technology was also the sector with the most challenging stock selection effects. Of the ten Technology stocks held by Conestoga in 2020, all but two produced positive returns and the average return was over 32%. Blackbaud, Inc. (BLKB) was the strategy's weakest performer, declining due to concerns about the impact of COVID-19 on the spending of BLKB's customers, which are non-profit and charitable organizations. Additionally, BLKB experienced a cybersecurity breach, which we believe was not handled well. We removed BLKB from clients' portfolios mid-year.

Similarly, within the Consumer Staples sector, Conestoga's position in Chef's Warehouse, Inc. (CHEF) detracted from returns as the restaurant supplier saw its stock plunge in the first quarter. We removed CHEF from the strategy in March.

Stock selection was most positive in the Industrials sector, led by Trex Company, Inc. (TREX). This manufacturer of composite decking products experienced much better-than-expected growth as homebound consumers increased spending on improvement projects such as decks. Also, within this sector, Axon Enterprise Inc. (AAXN) experienced continued revenue and earnings growth for its body camera and software services to law enforcement agencies.

SMid Cap Growth - 4Q20 Buys

1. Avalara, Inc. (AVLR): AVLR is the leading provider of cloud-based sales tax automation and management software, primarily to small– and mid-sized businesses. The company's suite of products automates tax compliance for companies worldwide, driving greater efficiency and avoiding costly audits. Management believes every company in the world will eventually automate their tax compliance function, allowing the company to grow revenue 25% per annum for the next ten years. Building on the foundation of cloud-based tax automation, we believe AVLR will also be successful extending the platform beyond tax to general compliance.

SMid Cap Growth - 4Q20 Sells

1. Pluralsight, Inc. (PS): As described above under the Laggards section, this subscription-based software company declined during the quarter as billings growth decelerated during the pandemic. We removed PS from client portfolios during the quarter after losing conviction in management's ability to right-size the busines after two years of poor execution. The company was subsequently acquired by Vista Equity Partners in December.

Conestoga added to positions on four occasions and trimmed two stocks during the first quarter.

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SMid Cap Growth - Top 5 Leaders

1. Omnicell, Inc. (OMCL): OMCL, a provider of medication control solutions and medication adherence packaging to hospitals and long-term care facilities, saw its shares rise over 60% during the quarter. Early in the quarter, the company reported results and gave guidance that were above expectations, while rumors of a bid for OMCL from Baxter surfaced in December. Both events supported strong performance from the stock. Management has not commented on the rumor and no definitive deal has been announced. We believe the fundamentals for OMCL remain robust and we continue to own the shares.

2. Construction Partners, Inc. (ROAD): ROAD had a busy fourth quarter, making four acquisitions in North Carolina that added 13 hot-mixed asphalt (HMA) plants to their existing base of 35. This greater than 35% boost in HMA capacity adds nicely to rebounding organic growth as states and municipalities have remained committed to infrastructure maintenance work as the pandemic has unfolded. ROAD also reported third quarter results and issued 2021 guidance ahead of analyst expectations, with organic growth accelerating to 12% next year.

3. Repligen Corp. (RGEN): RGEN is a provider of tools used by biotechnology companies. The stock continued to perform well, rising by nearly 30% during the fourth quarter. The combination of organic growth, new product introductions, and attractive tuck-in acquisitions (cross-sell opportunities) has fueled outstanding results from the company. RGEN has also benefitted from COVID-19 vaccine and treatment development. We continue to expect double-digit annual organic revenue growth for RGEN over the next five years.

4. HEICO Corp. (HEI.A): This company manufactures jet engine and aircraft replacement parts as electronic equipment for the defense, space medical and industrial industries. The stock performed well during the fourth quarter following upbeat efficacy data and subsequent FDA approval of several COVID-19 vaccine candidates, as a return to commercial air travel will drive demand for replacement parts.

5. Axon Enterprise, Inc. (AAXN): AAXN reported third quarter results that were materially ahead of expectations as the company benefitted from continued adoption of body cameras and software tools within police agencies, a surge in Federal bookings, which is a new focus for the company, and continued momentum within the international market. AAXN also introduced 2021 guidance that was ahead of sell-side estimates.

Source: FactSet Research Systems.

SMid Cap Growth - Bottom 5 Laggards

1. Pluralsight, Inc. (PS): PS is a subscription-based software company that provides online skill development for IT professionals. The stock was down modestly in the quarter as billings growth decelerated during the pandemic. While we believe this is a good business with a compelling value proposition, we sold our position to zero in November after losing conviction in management's ability to right-size after two years of poor execution. The company was subsequently acquired by Vista Equity Partners in December.

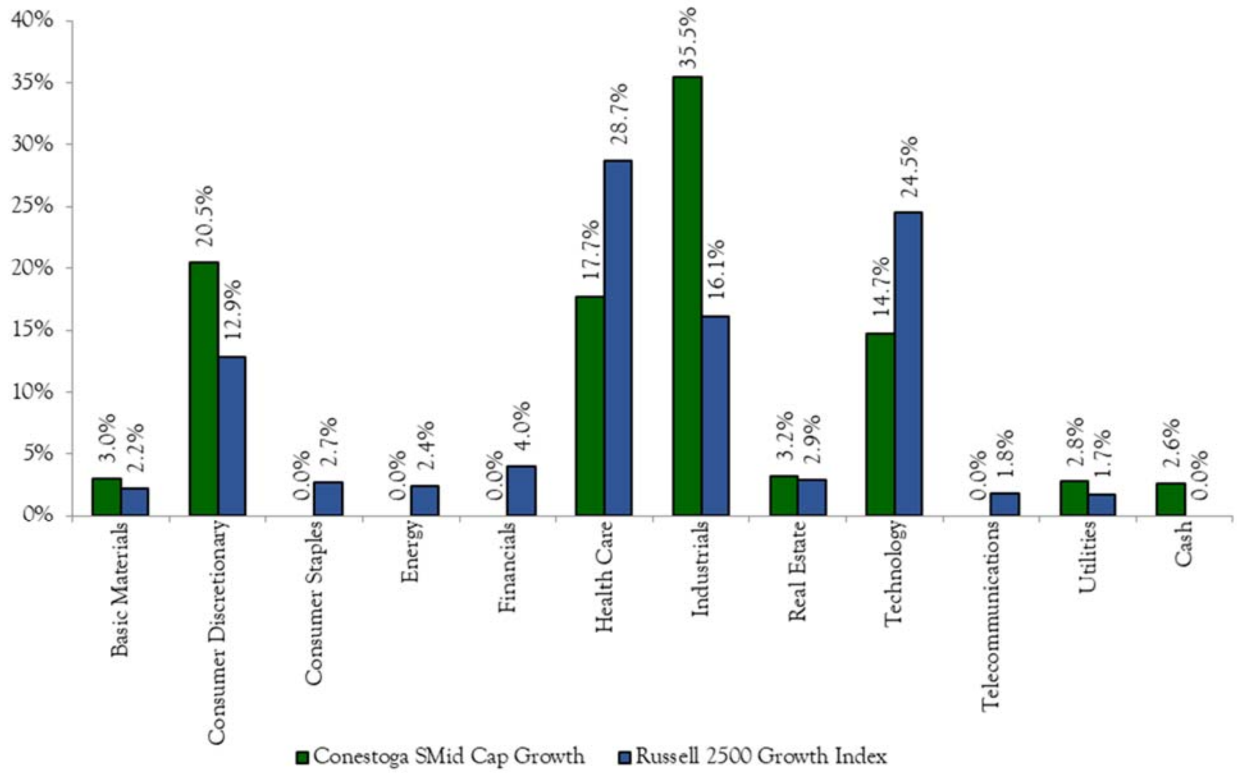
2. Simpson Manufacturing Co., Inc. (SSD): SSD is a leading provider of structural connectors to the U.S. housing market. The company's fundamentals were solid in 2020. In fact, the company's 3Q results significantly exceeded consensus expectations. Despite these solid fundamentals, investors focused on several factors including concerns about rising raw material prices, tough 2021 comparisons and the halted rollout of mechanical anchors and fasteners with Home Depot. We believe the company will continue to benefit from a strong residential housing market particularly in the Southern and Western parts of the U.S. Additionally, the company's focus on internal improvement with respect to working capital should drive long-term shareholder returns.

3. Watsco, Inc. (WSO): WSO is the nation's largest distributor of heating, ventilation and air conditioning (HVAC) equipment, parts and supplies with 80% of revenue tied to the Sun Belt region. Aided by shelter in place, the company posted its strongest sales growth in over four years during its third quarter. The stock, however, traded sideways during the quarter as we move into winter months.

4. Neogen Corp. (NEOG): NEOG is a global leader in food and animal safety products. NEOG's business has seen a mixed impact from the COVID-19 pandemic. It has driven demand for NEOG's cleaning and disinfectant products but dampened demand for its food safety products. Last quarter, the company's food safety products were only up 1% citing the Covid-19 impact on the institutional side of the food business. The animal safety division has been a bright spot for the company as it has seen strong demand for its companion animal products, a pickup in livestock activity and 12% growth in its genomic testing business. Investors have also been concerned about the company's inability to return gross margins back to the high 40% - low 50% range. The company has cited an increasingly competitive market for acquisitions which has been a meaningful part of NEOG's growth.

5. Jack Henry & Associates, Inc. (JKHY): This company provides core processing and other complementary software solutions to small and medium-sized banks and credit unions. Despite reporting solid fiscal first quarter results, improved business momentum and modestly higher annual guidance, the stock was mostly unchanged during the quarter and detracted from performance in the strong tape.

SMid Cap Growth - Sector Weightings (as of 12/31/20)



Source: FactSet Research Systems and Conestoga. Sectors are defined according to the ICB industry definitions.

SMid Cap Growth - Top Ten Equity Holdings (as of 12/31/20)

SYMBOL	COMPANY NAME	SECTOR	% OF ASSETS
POOL	Pool Corporation	Consumer Discretionary	3.65%
ROL	Rollins, Inc.	Consumer Discretionary	3.16%
WST	West Pharmaceutical Services, Inc.	Health Care	3.07%
BFAM	Bright Horizons Family Solutions, Inc.	Consumer Discretionary	2.87%
CWST	Casella Waster Systems, Inc.	Utilities	2.75%
OMCL	Omnicell, Inc.	Health Care	2.74%
HEI.A	HEICO Corporation Cl. A	Industrials	2.70%
EXPO	Exponent, Inc.	Industrials	2.68%
SITE	SiteOne Landscape Supply, Inc.	Consumer Discretionary	2.67%
RGEN	Repligen Corporation	Healthcare	2.57%
		Total within the Composite:	**28.86%**

The positions represent Conestoga Capital Advisors largest equity holdings based on the aggregate dollar value of positions held in the client accounts that are included in the SMid Cap Composite. All information is provided for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned. Sectors are defined according to the ICB industry definitions.

**Please note: the specific securities identified and described in this report do not represent all of the securities purchased, sold or recommended for advisory clients, and you should not assume that investments in the securities identified and discussed will be profitable in the future. As you are aware, one cannot assume that past results are indicative of future performance.*

DISCLOSURES: GIPS ® Presentation for the Period Ending December 31, 2020

Year Return	Conestoga Small Cap Total Net Return	Russell 2000 Growth Total Return	Russell 2000 Total Return	# of Portfolios	Composite Dispersion (%)	Composite Assets at End of Period $ (Millions)	% of Firm Assets	Firm Assets $ (Millions)	UMA Assets $ (Millions)	Total Assets $ (Millions)
2020	31.10%	34.63%	19.96%	157	0.97	$1,644.8	24%	$6,834.2	$504.4	$7,338.6
2019	26.31%	28.48%	25.53%	144	0.58	$1,500.7	32%	$4,707.3	$156.1	$4,863.4
2018	1.30%	-9.31%	-11.01%	134	0.47	$1,266.3	35%	$3,633.1	$66.3	$3,699.4
2017	29.00%	22.17%	14.65%	117	0.55	$958.4	35%	$2,730.2	$35.6	$2,765.8
2016	15.57%	11.32%	21.31%	111	0.50	$833.5	46%	$1,798.1	$15.1	$1,813.2
2015	7.83%	-1.38%	-4.41%	99	0.51	$867.8	55%	$1,591.8	$7.0	$1,598.8
2014	-8.16%	5.60%	4.89%	114	0.56	$928.2	55%	$1,688.6	$2.6	$1,691.2
2013	50.55%	43.30%	38.82%	119	1.06	$883.5	51%	$1,743.9	$1.5	$1,745.4
2012	11.51%	14.59%	16.35%	120	0.62	$566.3	60%	$944.1	$0.8	$944.9
2011	5.05%	-2.91%	-4.18%	106	0.67	$339.7	58%	$582.0	$0.5	$582.5
2010	25.29%	29.09%	26.85%	88	0.68	$271.0	58%	$470.9	$0.2	$471.1
2009	30.08%	34.47%	27.18%	86	0.77	$199.0	59%	$338.1	$7.2	$345.3
2008	-28.00%	-38.54%	-33.80%	86	0.70	$131.4	58%	$224.0	$0.7	$224.8
2007	6.14%	7.05%	-1.57%	94	0.73	$159.2	58%	$275.3	--	$275.3
2006	10.07%	13.35%	18.37%	95	1.14	$163.5	60%	$271.4	--	$271.4
2005	4.60%	4.15%	4.55%	70	0.93	$105.7	50%	$211.6	--	$211.6
2004	19.04%	14.31%	18.33%	39	1.26	$55.5	34%	$165.4	--	$165.4
2003	30.96%	48.54%	47.25%	37	2.35	$35.5	25%	$140.6	--	$140.6
2002	-15.29%	-30.26%	-20.48%	17	2.67	$11.1	12%	$96.3	--	$96.3
2001	20.93%	-9.23%	2.49%	17	4.95	$11.3	11%	$103.6	--	$103.6
2000	0.18%	-22.43%	-3.02%	22	8.36	$14.4	1%	$1,440.4	--	$1,440.4
1999	43.52%	43.09%	21.26%	18	9.38	$11.6	3%	$388.1	--	$388.1

Annualized Rate of Return for the Period Ending December 31, 2020

Time Period	Conestoga Small Cap Total Net Return	Russell 2000 Growth Total Return	Russell 2000 Total Return
1 Year	31.10%	34.63%	19.96%
3 Years	18.82%	16.20%	10.25%
5 Years	20.12%	16.36%	13.26%
10 Years	15.89%	13.48%	11.20%
Since Inception (12/31/98)	12.88%	8.23%	8.71%

Conestoga Capital Advisors claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Conestoga Capital Advisors has been independently verified for the periods December 31, 1998 through March 31, 2002 by KPMG and for the periods March 31, 2002 through March 31, 2020 by BBD, LLP. The verification reports are available upon request. Verification assesses whether 1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and 2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

A complete list and description of all composites and policies for valuing portfolios, calculating and reporting returns, and preparing compliant presentations are available upon request. Performance results are presented after all actual investment management fees, custodial fees, commissions and other trading expenses. Computations assume the reinvestment of all dividends and capital gains. Portfolios are valued monthly and returns are weighted by using beginning-of-quarter values plus weighted cash flows. Annual returns are calculated by geometrically linking the monthly returns. Performance results for the full historical period are total return, time-weighted rates of return expressed in U.S. dollars. Trade date accounting is used for all periods. No leverage has been used in the accounts included in the composite. The actual return and value of an account will fluctuate and at any point could be worth more or less than the amount invested. Individual account performance will vary according to individual investment objectives.

All fee-paying discretionary portfolios will be assigned to an appropriate composite according to investment objective. Composites will include new portfolios at the start of the next performance measurement period (i.e. the beginning of the next month) after the portfolio comes under management and will exclude terminated portfolios after the last full calendar month period the portfolios were under management (i.e., the end of the last full calendar month), but composites will continue to include terminated portfolios for all periods prior to termination.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 3000 Index measures the performance of the largest U.S. companies based on market capitalization. The volatility of the Russell 2000 Index and Russell 2000 Growth Index may be materially different from that of the performance composite. In addition, the composite's holdings may differ significantly from the securities that comprise the Russell 2000 Index and the Russell 2000 Growth Index. For comparison purposes, the Conestoga Small Cap Composite is measured against the Russell 2000 and Russell 2000 Growth Indices.

UMA assets presented are not part of Conestoga's GIPS-defined firm assets as Conestoga has no trading authority over these assets and serves in an advisory-only capacity. UMA assets under management are received on a preliminary quarterly basis, which are subject to change by the plan sponsor after a complete reconciliation of the underlying accounts. The "Total Assets" include UMA assets and are not part of the GIPS® firm assets. UMA and Total Assets are shown as supplemental information.

The current management fee schedule is as follows: Up to $25,000,000 = 1.00%; Over $25,000,000 = Negotiable.

The dispersion of annual returns is measured by the standard deviation across equal-weighted portfolio returns represented within the composite for the full year. The dispersion calculation shown, "asset weighted dispersion", is calculated as the annual standard deviation of individual portfolio gross returns weighted by the beginning of period portfolio size for the composite members. Dispersion is shown as "N/A" for periods less than one year and for periods with 5 or fewer composite members for the entire year.

As of December 31, 2020, the three-year standard deviation, calculated net of fees, for the Conestoga Small Cap Composite was 21.66% and the Russell 2000 Growth was 25.10%, and the Russell 2000 was 25.27%. As of December 31, 2019, the three-year standard deviation, calculated net of fees, for the Conestoga Small Cap Composite was 15.71% and the Russell 2000 Growth was 16.37%, and the Russell 2000 was 15.71%. As of December 31, 2018, the three-year standard deviation, calculated net of fees, for the Conestoga Small Cap Composite was 16.28% and the Russell 2000 Growth was 16.46%, and the Russell 2000 was 15.79%.

Conestoga Capital Advisors is an independent investment management firm founded in 2001 that manages equity and balanced portfolios for primarily U.S. institutional and retail clients. Performance results prior to June 30, 2001 have been achieved by Martindale Andres & Company, Inc., William Martindale and Robert Mitchell's prior investment advisory firm. The Conestoga Small Cap Composite creation date (since inception) is 12/31/98. This composite contains portfolios which primarily invest in small cap equities. In addition, for an account to be included in the composite, no more than 20% of the portfolio will (i) have a market capitalization outside the range of a rolling 3-year average of Russell 2000 Growth Index; or (ii) be outside of the small capitalization model. In addition, the weighting of an individual security within a given account cannot exceed 10% (or 2.5 times the target weighting defined in the small capitalization model portfolio) of the equity assets. Portfolios that are less than $250,000 in size at inception are not included in this composite. Portfolios will not be removed from the assigned composite if they fall below the minimum simply due to market depreciation. Prior to September 30, 2003, portfolios greater than $100,000 were included in this composite. There have not been any material changes in the personnel responsible for managing accounts during the time period. Past performance is not indicative of future results.

**Please note: the specific securities identified and described in this report do not represent all of the securities purchased, sold or recommended for advisory clients, and you should not assume that investments in the securities identified and discussed will be profitable in the future. As you are aware, one cannot assume that past results are indicative of future performance.*

DISCLOSURES: GIPS ® Presentation for the Period Ending December 31, 2020

Time Period	Conestoga SMid Cap Total Net Return	Russell 2500 Growth Total Return	# of Portfolios	Composite Dispersion (%)	Composite Assets at End of Period $ (Millions)	% of Firm Assets	Firm Assets $ (Millions)	UMA Assets $ (Millions)	Total Assets $ (Millions)
2020	30.89%	40.47%	11	0.54	$538.5	8%	$6,834.2	$504.4	$7,338.6
2019	35.96%	32.65%	7	1.05	$88.3	2%	$4,707.3	$156.1	$4,863.4
2018	0.69%	-7.47%	4	0.21	$68.6	2%	$3,633.1	$66.3	$3,699.4
Jan 31, 2017 - Dec 31, 2017	32.69%	21.58%	2	N/A	$59.6	2%	$2,730.2	$35.5	$2,765.8
Dec 31, 2013 - May 31, 2014	-12.28%	-1.23%	1	N/A	$66.8	4%	$1,652.7	N/A	$1,652.7

Annualized Rate of Return for the Period Ending December 31, 2020

Time Period	Conestoga SMid Cap	Russell 2500 Growth
1 Year	30.89%	40.47%
3 Years	21.46%	19.91%
Since 1/31/17	24.76%	20.81%

Conestoga Capital Advisors claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards.

Conestoga Capital Advisors has been independently verified for the periods December 31, 1998 through March 31, 2002 by KPMG and for the periods March 31, 2002 through March 31, 2020 by BBD, LLP. The verification reports are available upon request. Verification assesses whether 1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and 2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

A complete list and description of all composites and policies for valuing portfolios, calculating and reporting returns, and preparing compliant presentations are available upon request. Performance results are presented after all actual investment management fees, custodial fees, commissions and other trading expenses. Computations assume the reinvestment of all dividends and capital gains. Portfolios are valued monthly and returns are weighted by using beginning-of-quarter values plus weighted cash flows. Annual returns are calculated by geometrically linking the monthly returns. Performance results for the full historical period are total return, time-weighted rates of return expressed in U.S. dollars. Trade date accounting is used for all periods. No leverage has been used in the accounts included in the composite. The actual return and value of an account will fluctuate and at any point could be worth more or less than the amount invested. Individual account performance will vary according to individual investment objectives.

All fee-paying discretionary portfolios will be assigned to an appropriate composite according to investment objective. Composites will include new portfolios at the start of the next performance measurement period (i.e. the beginning of the next month) after the portfolio comes under management and will exclude terminated portfolios after the last full calendar month period the portfolios were under management (i.e., the end of the last full calendar month), but composites will continue to include terminated portfolios for all periods prior to termination.

The benchmark for this composite is the Russell 2500 Growth Index, which measures the performance of the small to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher price-to-book ratios, forecasted growth values, and historical sales per share. Index returns are provided for comparison purposes to represent the investment environment existing during the time periods shown. An index is fully invested, includes the reinvestment of dividends and capital gains, but does not include any transaction costs, management fees, or other costs. Holdings of each separately managed account in a composite will differ from the index. An investor may not invest directly in an index.

The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "SMid" cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. (Source: Russell)

UMA assets presented are not part of Conestoga's GIPS-defined firm assets as Conestoga has no trading authority over these assets and serves in an advisory-only capacity. UMA assets under management are received on a preliminary quarterly basis, which are subject to change by the plan sponsor after a complete reconciliation of the underlying accounts. The "Total Assets" include UMA assets and are not part of the GIPS® firm assets. UMA and Total Assets are shown as supplemental information.

The current management fee schedule is as follows: Up to $25,000,000 = 1.00%; Over $25,000,000 = Negotiable.

The dispersion of annual returns is measured by the standard deviation across equal-weighted portfolio returns represented within the composite for the full year. The dispersion calculation shown, "asset weighted dispersion", is calculated as the annual standard deviation of individual portfolio gross returns weighted by the beginning of period portfolio size for the composite members. Dispersion is shown as "N/A" for periods less than one year and for periods with 5 or fewer composite members for the entire year.

As of December 31, 2020, the three-year standard deviation, calculated net of fees, for the Conestoga SMid Cap Composite was 21.82% and the Russell 2500 Growth was 23.93%.

A three-year standard deviation of returns is not shown as the composite has not reached three years of history.

Conestoga Capital Advisors is an independent investment management firm founded in 2001 that manages equity and balanced portfolios for primarily U.S. institutional and retail clients. The Conestoga SMid Cap Composite creation date is 12/31/2013. In June 2014, the SMid Cap Composite lost its member portfolio, and, as a result, the Composite had no member portfolios. Reporting of the SMid Cap Composite resumed in January 2017, when a portfolio was added to the Composite. The Composite includes all dedicated SMid Cap equity portfolios. This composite contains portfolios which primarily invest in mid cap and small cap equities. In addition, for an account to be included in the composite, no more than 20% of the portfolio can have a market capitalization outside the range of a rolling 3-year average of Russell 2500 Growth Index. Portfolios that are less than $250,000 in size at inception are not included in this composite. Portfolios will not be removed from the assigned composite if they fall below the minimum simply due to market depreciation. Past performance is not